

Modern Slavery Statement 2020-2021

This statement is made pursuant to the *Australian Modern Slavery Act 2018* (Cth) (**the Act**) in respect to the period 1 July 2020 to 30 June 2021.

1. Reporting entity

This statement is made by Retail Zoo Holdings Pty Ltd ACN 169 039 721 (**Retail Zoo**).

2. Structure, operations and supply chains of the reporting entity

Structure

Retail Zoo is a casual food and beverage franchisor and operator with a portfolio of four distinct brands across approximately 375 franchise stores and 60 company-owned stores in Australia as at 30 June 2021. Retail Zoo's brands are Boost, Betty's Burgers, CIBO Espresso and Salsas. In addition to its operations in Australia, Retail Zoo has an international presence as a master franchisor of the Boost brand and system to master franchisees operating approximately 240 stores in 11 territories as at 30 June 2021.

Operations and supply chains

Retail Zoo is headquartered in Melbourne, Australia. As at 30 June 2021, Retail Zoo directly employed approximately 130 employees at its headquarters and approximately 2000 employees within its company-owned stores.

Retail Zoo's franchisees in Australia are estimated to directly employ approximately 5000 people, and its master franchisees outside of Australia (or their sub-franchisees) are estimated to directly employ approximately 2450 people.

Retail Zoo engages suppliers throughout its business, particularly to support Retail Zoo's company-owned stores and franchised network. Retail Zoo's largest spend categories are:

- fresh and frozen produce (primarily: fruits, meats, poultry and frozen yoghurts);
- coffee beans;
- beverages;
- equipment;
- packaging; and
- services to construct new stores or refurbish existing stores.

As established in the last reporting period, Retail Zoo has over 160 approved suppliers who provide goods and services to support each of Retail Zoo's brands and its headquarters.

Retail Zoo's franchisees and master franchisees are contractually required to use suppliers approved by Retail Zoo, and for some goods and services are required to use suppliers nominated by Retail Zoo.

3. Risks of modern slavery in Retail Zoo's operations and supply chains, and the actions taken to assess and address these risks

For this reporting period, Retail Zoo continued to assess and address its modern slavery risks in its supply chains and operations.

Operations

a. Risks of modern slavery in Retail Zoo's operations

For the same reasons outlined in Retail Zoo's modern slavery statement for financial year 2020 (**Previous Statement**), it remains Retail Zoo's assessment for this reporting period that it is a low risk that modern slavery exists within its own workforce, or within the workforce of its Australian franchisees.

In some areas of Retail Zoo's business, Retail Zoo uses contractors or service providers (for example, in respect to cleaning offices, equipment maintenance and off-shore processing). Retail Zoo does not have the same level of visibility or control over these persons, as compared to its own employees. As a result it is possible that these persons may engage individuals who are less aware of their rights and/or vulnerable to exploitation, such as in respect to working conditions and wage compliance. While practices such as substandard working conditions and underpayments are not "modern slavery" as defined by the Act, these practices can be harmful and may escalate to modern slavery if not addressed.

b. Actions taken by Retail Zoo to assess and address these risks

Despite the relatively low risk of modern slavery (as defined by the Act) in its operations, in this reporting period Retail Zoo:

- introduced internal training on modern slavery risks to further educate Retail Zoo's managers and key personnel on how to recognise modern slavery risks and the process of handling a modern slavery complaint or escalating a concern if one does arise;
- improved its ability to map its supply chain and operations to gain further visibility over its contractors or service providers by becoming a SEDEX (Supplier Ethical Data Exchange) member. SEDEX is a global ethical data exchange platform which assists organisations and members to share information in relation to ethical sourcing and labour to promote best ethical practice across different industries; and
- updated further contracts (such as franchise and shopfitter agreements) with a clause which specifically addresses and sets out Retail Zoo's expectations in respect to adhering to anti-slavery laws.

Supply chain

c. Risks of modern slavery in Retail Zoo's supply chain

It remains Retail Zoo's assessment for this reporting period that the areas within Retail Zoo's supply chain that have an increased modern slavery risks are:

- apparel (such as uniforms), electronics (such as computers and mobile telephones), coffee beans and produce from fruit farms. These goods are either located in, or sourced from, countries or regions that are estimated to have a higher prevalence for modern slavery or have in the past been criticised for

modern slavery practices;

- in the second and third tier of Retail Zoo's supply chain such as in respect to the production, processing, packaging and transport of goods;
- suppliers used by master franchisees (or their sub-franchisees); and
- unapproved suppliers engaged by franchisees.

a. Actions taken by Retail Zoo to assess and address these risks

In this reporting period, Retail Zoo:

- became a member of SEDEX to obtain further visibility over its suppliers and their second and third tier supply chains. It is Retail Zoo's intention to use SEDEX to better assess the modern slavery risks that may exist in its Nominated Region Suppliers and Nominated Goods Suppliers (as defined in the Previous Statement);
- updated further contracts (such as franchise and shopfitter agreements) with a clause which specifically addresses and sets out Retail Zoo's expectations in respect to adhering to anti-slavery laws;
- requested its master franchisees to complete a supplier questionnaire to further assess the modern slavery risks within the master franchisees' supply chains and operations;
- assessed that its master franchisees are contractually obliged to comply with workplace laws and regulations in the operation of their, or sub-franchised, businesses in the relevant territory; and
- considered the effects and impact of COVID-19 on its supply chains.

4. COVID-19 and its effect on Retail Zoo's Operations and Supply Chains

During the reporting period, Retail Zoo's operations and supply chains were impacted by the various restrictions and safety precautions that were implemented in Australia and around the World.

As a result, Retail Zoo was unable to conduct an independent audit of its suppliers as discussed in the Previous Statement. However, Retail Zoo was mindful of the potential increased modern slavery risks of suddenly terminating supplier contracts, or increasing the demand of some products during COVID-19.

5. Effectiveness of Retail Zoo's actions

While Retail Zoo has not discovered any specific modern slavery issues within its supply chain or operations, Retail Zoo endeavours to continually assess the effectiveness of its actions in identifying and managing modern slavery risks by tracking its actions and outcomes. The actions taken by Retail Zoo so far have:

- provided management with a greater insight of Retail Zoo's supply chain and operations;
- provided an opportunity for Retail Zoo to communicate its expectations to its master franchisees in respect to assessing and reducing modern slavery risks within their supply chains;

- informed Retail Zoo’s suppliers of Retail Zoo’s expectations in respect to modern slavery and educated some suppliers on what modern slavery is;
- educated and trained Retail Zoo’s managers and key personnel on recognising and addressing modern slavery risks in their day-to-day management; and
- improved a number of processes, in an effort to further mitigate modern slavery risks within Retail Zoo’s operations and supply chain.

In the Previous Statement, Retail Zoo identified a number of specific actions that it aimed to take in this reporting period. For this reporting period, Retail Zoo’s progress is set out below:

Action	Progress
Introduce technology solutions to assist with supply chain mapping, such as SEDEX.	Retail Zoo is now a SEDEX member.
Further map its supply chain using questionnaire responses, the modern slavery statements submitted by its suppliers and following further consultation with suppliers. The continued supply chain mapping will also seek to expand on Retail Zoo’s operational suppliers.	Retail Zoo has started to further map its supply chain using SEDEX, and will encourage its major suppliers to complete a Self-Assessment Questionnaire (SAQ) during the next reporting period. The SAQ will assist Retail Zoo in further assessing the supplier’s supply chain, promote best ethical practice and gain visibility across the suppliers’ second and third tier suppliers.
Further communicate with its master franchisees to explain modern slavery and Retail Zoo’s expectation that they take steps to reduce modern slavery risks, including undertaking a risk assessment and implementing supplier due diligence that considers modern slavery risks.	Retail Zoo asked its master franchisees to complete a supplier questionnaire to assess the master franchisee’s understanding of modern slavery, and determine whether the master franchisee had performed a risk assessment in respect to modern slavery within their own supply chains. Retail Zoo is in the process of reviewing the master franchisee’s responses, noting that some of its master franchisees responded with a copy of their own modern slavery statement and modern slavery statements from their suppliers.
Provide further education on modern slavery to procurement employees, in an effort to improve supplier due diligence in light of modern slavery risks.	Retail Zoo trained its managers and key personnel on modern slavery risks and how to assess or recognise modern slavery risks in Retail Zoo’s operations or supply chains.
Audit Nominated Region Suppliers and Nominated Goods Suppliers (as defined in the Previous Statement).	As a result of COVID-19, for the safety of its own employees and in accordance with the relevant laws and authorities’ directions, Retail Zoo was unable to conduct any audits on its Nominated Region Suppliers and Nominated Goods Suppliers in Australia or outside of Australia.

Retail Zoo understands that the process of assessing and addressing modern slavery risks in its operations and supply chains is an ongoing and evolving process. As such, in the upcoming reporting period, Retail Zoo will seek to:

- focus on connecting and onboarding its major suppliers on SEDEX, with an aim to conduct an audit through SEDEX (also known as SMETA) on the main suppliers that are recognised as high risk;
- further map its supply chain using questionnaire responses from its master franchisees and the SAQ's submitted by its suppliers on SEDEX;
- extend its modern slavery training to all of Retail Zoo's employees and franchisees, in an effort to improve supplier due diligence across minor suppliers that may have a more prevalent inherent modern slavery risks;
- establish a modern slavery policy which operates in conjunction with other Retail Zoo's policies, but mainly to provide a consistent process of assessing and addressing modern slavery risks within Retail Zoo's supply chains and operations;
- establish a modern slavery committee encompassing personnel from across Retail Zoo's teams to assist in promoting and developing Retail Zoo's modern slavery policy and procedures, and addressing any modern slavery concerns or complaints that may arise; and
- audit some of Retail Zoo's Nominated Region Suppliers and Nominated Goods Suppliers which are situated in Australia, subject to current laws and restrictions relating to COVID-19.

6. Related entities

Retail Zoo's entities have common directors, and each of Retail Zoo's brands are supported by the same teams in its headquarters. This statement has been considered by Retail Zoo's Board of Directors and Senior Executives.

This statement was approved by the Retail Zoo Board of Directors on 8 December 2021.



Nishad Alani
Director
Retail Zoo Holdings Pty Ltd