

7-ELEVEN JOINT

# Modern Slavery Statement

01 July 2019 - 30 June 2020





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# Committed to ending modern slavery

**A message from CEO Angus McKay**

This Modern Slavery Statement (MSS) is another step forward in our journey as a leading provider of fuel and convenience retailing in Australia. While most of our goods and services are “finished” by the time we procure them, and 99% of our annual procurement spend is conducted with entities based in Australia, it’s critical we understand and are comfortable with activities across the entire product and service supply chain. Putting the work into developing this MSS gave us the opportunity to take an even closer look at our operations, relationships and activities. Ensuring the integrity and legality of our suppliers and products is something we do regularly as part of our already rigorous standards, processes and policies. However, developing this MSS also encouraged a conversation about modern slavery in our business and with our suppliers. It’s an important conversation and one we will continue developing in future reporting periods.

This MSS gave us another opportunity to actively demonstrate how we live our values – day in, day out. A core 7-Eleven value is “Do What’s Right”. This is intentionally a simple set of words, which makes it easy for everyone who works in our business or supplies us with goods and services, to recall, reflect on and live. “Do What’s Right” is also our promise to our customers – so when they’re topping up the fuel in their car, picking up a snack or meal on their way home from work, or just taking a moment to enjoy a Slurpee™ with the kids, our customers know they are supporting a company where doing what’s right is top of mind.

Modern slavery, by any definition and in any of its forms, is unacceptable. In preparing this MSS we have taken the time and care, and engaged the appropriate expertise, to closely examine our operations, our relationships and our supply chain. What companies like ours do, and the level of accountability we take on issues like this, matters. With other, like-minded organisations in our industry, we must help set the right example and work towards ending modern slavery through our words, our policies and our actions.

To deliver this MSS, we engaged an experienced global consulting firm to undertake a six-month, thorough review of our Tier 1 and Tier 2 product categories\*, operations and supply chain. This helped us understand more about where our potential risks lie, and while developing and releasing this MSS is one important action we have delivered on, there are many other actions underway within our business.

We have committed to the actions shown below (Table 1) for the current financial year. We are well progressed in developing and releasing internally an organisation-wide Modern Slavery Policy, and we have established a Modern Slavery Committee to oversee our efforts. Our Board and Senior Leadership Team are engaged in this process and we have put the appropriate governance measures in place.

We have also revised our standard trading terms to include clauses requiring our suppliers to consider and address modern slavery risks, and our new and existing suppliers are progressively rolling onto these terms. Establishing these contractual controls enables us to set clear expectations with suppliers relating to modern slavery risk management and provides accountability for any non-compliance.







These are just some of the steps we have taken, and our work continues. I commend this MSS to you as more than a compliance document for 7-Eleven. It is an important piece of work which gives anyone who shops in our stores, supplies us with goods or services or works in our team the confidence that I, my management team and the Board take the elimination of modern slavery very seriously, are committed to its elimination, and are backing that commitment up with action.

**Angus McKay**

CEO and Managing Director, 7-Eleven Stores Pty Ltd  
23 March 2021

\* Definitions of Tier 1 and Tier 2 product categories can be found on P9.

TABLE 1: OUR COMMITMENTS

COMMITMENT		DUE DATE	
	COMMITMENT 1	We will work with key Tier 1 suppliers in high risk categories to develop a better understanding of our Tier 2 supply chain.	period ending 30 June 2021
	COMMITMENT 2	Publish our Modern Slavery Policy.	period ending 30 June 2021
	COMMITMENT 3	Provide training on the Modern Slavery Policy to procurement, category management and human resources team members.	period ending 30 June 2021
	COMMITMENT 4	Develop an organisation-wide Modern Slavery workplan for the period ending 30 June 2022.	period ending 30 June 2021
	COMMITMENT 5	Formalise our approach to assessing and mitigating modern slavery risks in our supplier management processes.	period ending 30 June 2021
	COMMITMENT 6	Determine the metrics to measure the effectiveness of actions to assess, address and remediate risks of modern slavery.	period ending 30 June 2021

## SECTION 1

# About this Modern Slavery Statement (MSS)

This Modern Slavery Statement (**MSS**) is made on behalf of, and developed in consultation with, the reporting entities 7 Holdings Pty Ltd, 7-Eleven Stores Pty Ltd and Convenience Holdings Pty Ltd (together, 7-Eleven, we, us) pursuant to the *Modern Slavery Act 2018* (Cth) (the **Act**). It sets out the actions we have taken to identify, assess, and address modern slavery risks across our operations and supply chain in the 12 months ending 30 June 2020.

We support the goals and intent of the Modern Slavery Act and are committed to identifying and addressing any risks or impacts of modern slavery in our operations and supply chain. We recognise that as a leading fuel and convenience retailer in Australia, we play a critical role in promoting and ensuring human rights and equity generally, and specifically for our team members, suppliers and customers. People are at the centre of everything we do at 7-Eleven and the health, safety and welfare of the people who work for us, purchase goods and services from us, and supply our operations is a critical priority. We respect and uphold all applicable laws relating to workers' rights, and we look beyond this level of compliance to find ways to positively impact the outcomes of people involved with and integral to 7-Eleven.

## Legal Structure

7 Holdings Pty Ltd, the parent company of 7-Eleven, is a privately-held company owned by the Withers and Barlow families. The company has a license to operate and franchise 7-Eleven stores in Australia from the US-based 7-Eleven Inc.

7-Eleven Stores Pty Ltd is a wholly-owned subsidiary of 7 Holdings Pty Ltd with responsibility for 7-Eleven's Franchise-operated stores. Convenience Holdings Pty Ltd is a wholly-owned subsidiary of 7 Holdings Pty Ltd with responsibility for 7-Eleven's company-operated stores.

7-Eleven's headquarters are in Richmond, Victoria.

The three reporting entities have a common governance with the same directors wholly responsible for the affairs of the companies. The policies which already exist in our business and which relate to identifying and managing human rights risks, apply across all three entities and all three share the same, centralised functional support – including procurement and human resources.

This shared governance framework results in a common approach to assessing and addressing risks of modern slavery across the three reporting entities, and will also

ensure a shared approach to rolling out the various commitments, processes and policies outlined in this MSS. The boards of each reporting entity approved this MSS.

## Internal Consultation

We are committed to developing and maintaining a robust, group-wide response to modern slavery. As part of the process of preparing this statement, 7-Eleven consulted with our directors and management through our group Modern Slavery Committee. Formed in early 2020, the Committee's role is to evaluate the risks, recommend action and embed modern slavery due diligence practices throughout the organisation. The consultation involved consideration of modern slavery risks across the group, undertaking a group-wide risk assessment of the supply chain, agreement on specific commitments to address modern slavery risks within the group, and a review of the text of this MSS. Further detail on the Committee's membership and function is set out in Section 3 of this Statement.

This Statement is signed by Angus McKay, who is the CEO and managing director of 7-Eleven Stores Pty Ltd and a director of 7 Holdings Pty Ltd and Convenience Holdings Pty Ltd. For more details, see the Statement of Approval below.

## Operational and Supply Chain Risk Assessment

7-Eleven engaged an experienced global consulting firm to undertake a six-month review of our inherent modern slavery risks with a focus on those risks associated with products, and those associated with suppliers. The objective of this assessment was to provide 7-Eleven with a greater understanding of our exposure to modern slavery risks, improve our approach to identifying, assessing and mitigating them and to ensure ownership of any issues associated with modern slavery across our business was shared.

## SECTION 2

# What we do and how we do it

## OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

### Our operations

7-Eleven is Australia's third largest private company and the largest convenience and independent petrol retailer in Australia with approximately 37% and 11% market share respectively of convenience across the eastern seaboard.

7-Eleven is much loved in the convenience market with a Net Promoter Score (NPS) of 71. We provide our customers with a range of products and services from fuel to food to parcel services.

Across Australia, our stores conduct some 244 million transactions a year, serving an average of seven customers per second.

Our convenience and fuel store network consists of both stores franchised by 7-Eleven Stores Pty Ltd and corporate stores operated by Convenience Holdings Pty Ltd.

As at 30 June 2020, we operate over 700 stores across our network in Victoria, New South Wales, the Australian Capital Territory, Queensland, and Western Australia.

Our franchise network consists of approximately 450 family franchise businesses operating about 500 stores, with the balance being run as corporate stores. More than 7,000 team members work across our corporate stores, franchised store network and support offices.



# 37%

value share of merchandise in the eastern seaboard convenience market

# 11%

volume share of fuel in the eastern seaboard market

# 244M

transactions a year

# 700+

stores across the network

# 7,000+

team members across Australia

# 500

family franchisee stores

# 71

customer NPS

## SECTION 2: WHAT WE DO AND HOW WE DO IT (CONTINUED)

## Franchise model









Our franchise model is unique in Australia.

Many franchise systems take a percentage of sales as a royalty. Our model is different because we tie our financial success to the success of our franchisees through sharing in gross profit. This ensures our focus remains on working in partnership with our franchisees to maximise the sustainable growth potential in each individual store, supporting them every step of the way.

We take care of many of the things that can be time consuming for small business owners. For example, we look after sourcing and procurement, cover most franchisee expenses such as rent, utilities, maintenance and marketing and provide a centralised payroll service.



## TEAM MEMBERS BY BUSINESS AND EMPLOYMENT STATUS\*

	SUPPORT OFFICES	CORPORATE STORES	FRANCHISE STORES	TOTAL
FULL TIME	 409	 151	 389	 949
PART TIME	 25	 20	 368	 423
CASUAL/TEMPORARY	 79	 1022	 4570	 5671
TOTAL	 513	 1193	 5327	 7033

\* Figures current as at 30 June 2020.

## SECTION 2: WHAT WE DO AND HOW WE DO IT (CONTINUED)

## Supply chain and procurement

Our mission is to be the best in Australia at meeting the ever-changing needs of convenience customers, and we continually strive to deliver a wonderful customer experience. With a network of fuel and non-fuel convenience stores, sourcing products which our customers will love is an integral part of our business.

We operate a shared supply chain for the three 7-Eleven entities. For this MSS, any references to supply chain describe the relationships between 7-Eleven and our suppliers.

While this MSS does not cover in detail all the supply chain relationships between our franchisees' businesses and their independently contracted suppliers, the majority of goods and services available to our customers are procured and managed centrally by 7-Eleven.

In addition to selling products procured by 7-Eleven, our franchisees are also able to directly procure and sell their own goods and services, and make them available for their customers. Some examples of these types of products include pet food and beauty items, and examples of services include store maintenance contractors for cleaning, gardening, and window washing. These suppliers will be a focus in future reporting periods.

7

the number of countries our suppliers are based across

5,000+

different goods & services procured

2,000+

suppliers of different goods and services

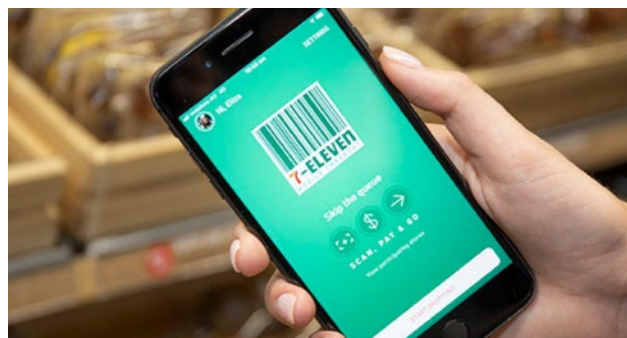
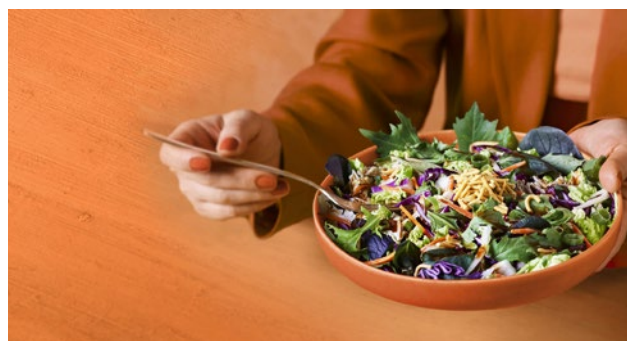
99%

of our procurement is conducted with entities based in Australia





## SECTION 2: WHAT WE DO AND HOW WE DO IT (CONTINUED)



### Who are our Tier 1 suppliers?

Within the supply chain we control and oversee, we directly procure more than 5,000 different goods and services from more than 2,000 suppliers. These suppliers are known as Tier 1. Our Tier 1 suppliers are based in seven countries – Australia, Canada, Ireland, New Zealand, Singapore, the United Kingdom and the United States.

From these suppliers we source both finished goods for sale, and goods not for sale. Goods for sale include both 7-Eleven branded products such as Slurpee™, and products sold under other well-known brands. Items not for sale include goods such as utensils used in stores, and services, such as facilities management.

While the nature of our supplier relationships varies across the supply chain, our preference is to build long-term partnerships with a relatively stable group of suppliers who meet our quality and supply standards.

Our annual procurement expenditure shows that more than 99% of the goods and services we purchase are supplied by entities based in Australia.

### Who are our Tier 2 suppliers?

The majority of goods we procure are finished products, which we recognise often have complex and global supply chains. This means that although we purchase most of our products and services from suppliers based in Australia, many products are produced from components or raw materials grown and manufactured in other countries. We refer to the organisations who supply components or raw materials to our Tier 1 suppliers as Tier 2 suppliers.

Through many years of diligent operations, and because we work closely with Tier 1 suppliers, we have a well-developed understanding and strong oversight of the products and services in our Tier 1 supply chain as well as our own branded products.

The nature of our Tier 2 suppliers' business models varies significantly. However, we have historically worked closely with large-scale distributors, and to a lesser extent manufacturing businesses. When purchasing from distributors, we are removed from the manufacturer and as a result, further removed from the product.

Recently, as part of our normal operations, we have taken greater control of some of our Tier 2 supply chain by establishing direct relationships with some core suppliers and manufacturers. The closer we can get to manufacturers, the more effectively we can ensure the appropriate standards are in place, and the highest quality products and services are available for our customers. Greater visibility of suppliers and manufacturers across Tier 2 supply chains will also help us understand other important matters, like whether suppliers share and live our values. This type of connection with any of our business partners, sharing values and standards, is very important to us.

### What products and services do we procure?

Table 2 sets out some examples of the types of products and services we procure from both Tier 1 and Tier 2 suppliers.

## SECTION 2: WHAT WE DO AND HOW WE DO IT (CONTINUED)

TABLE 2: EXAMPLES OF PRODUCTS AND SERVICES WE PROCURE

PROCUREMENT CATEGORIES	PRODUCT AND SERVICES EXAMPLES
FOOD & HOUSEHOLD GROCERIES	Bakery goods, flavoured milk, soft drinks, chocolate bars, loose confectionery, juices, chewing gum and health snacks
TOBACCO	Cigarettes, cigars, packaged tobacco and smoking accessories
ASSETS CONSTRUCTION AND ENVIRONMENT	Trades and general maintenance including coffee machine and fuel pump maintenance as well as safety and security and sanitation
CORPORATE SERVICES	Mail and cargo, paper and printing services and training services
MARKETING	Advertising and marketing
BEVERAGE	Coffee beans, tea bags and Slurpee™ ingredients
COMPLEMENTARY PRODUCTS	Sweeteners, sauces, salt, utensils and sugar syrup
STORE SUPPLIES	Includes cleaning equipment such as brooms, cleaning wipes, single use gloves and mops
FINANCIAL PRODUCTS & SERVICES	Transport tickets, vouchers, 7-Eleven gift cards, Moneygram
INFORMATION TECHNOLOGY	App development, risk management software, infrastructure support and hardware
PACKAGING	Plastic bags, coffee cups, Slurpee™ cups, donut trays and coffee trays
LOGISTICS & SUPPLY CHAIN	Warehousing services and transport of goods to our stores
PROFESSIONAL SERVICES	Advisory and legal services
FUEL	LPG, diesel and unleaded petrol
PROPERTY	Property development and leasing
OTHER	Phones, magazines, maps and directories and newspapers

## SECTION 3

# MSS governance and implementation

## OUR APPROACH



## Governance

We take the protection of human rights obligations very seriously and are committed to addressing and mitigating the risks of modern slavery in our operations and supply chain and improving the effectiveness of our systems and controls. 7-Eleven's Board is responsible for approving this MSS and our Board's Audit and Compliance Committee has responsibility for monitoring the implementation of the commitments we make. Our Audit and Compliance Committee meets quarterly and includes Non-Executive Directors Marina Go, Dharma Chandran and Bob Baily. The Committee is chaired by Bob Baily. Angus McKay, CEO and Managing Director of 7-Eleven Stores Pty Ltd is also a member of the Audit and Compliance Committee and our Senior Leadership Team are accountable for managing any 7-Eleven modern slavery risks and ensuring they are dealt with appropriately.

## SECTION 3: MSS GOVERNANCE AND IMPLEMENTATION (CONTINUED)

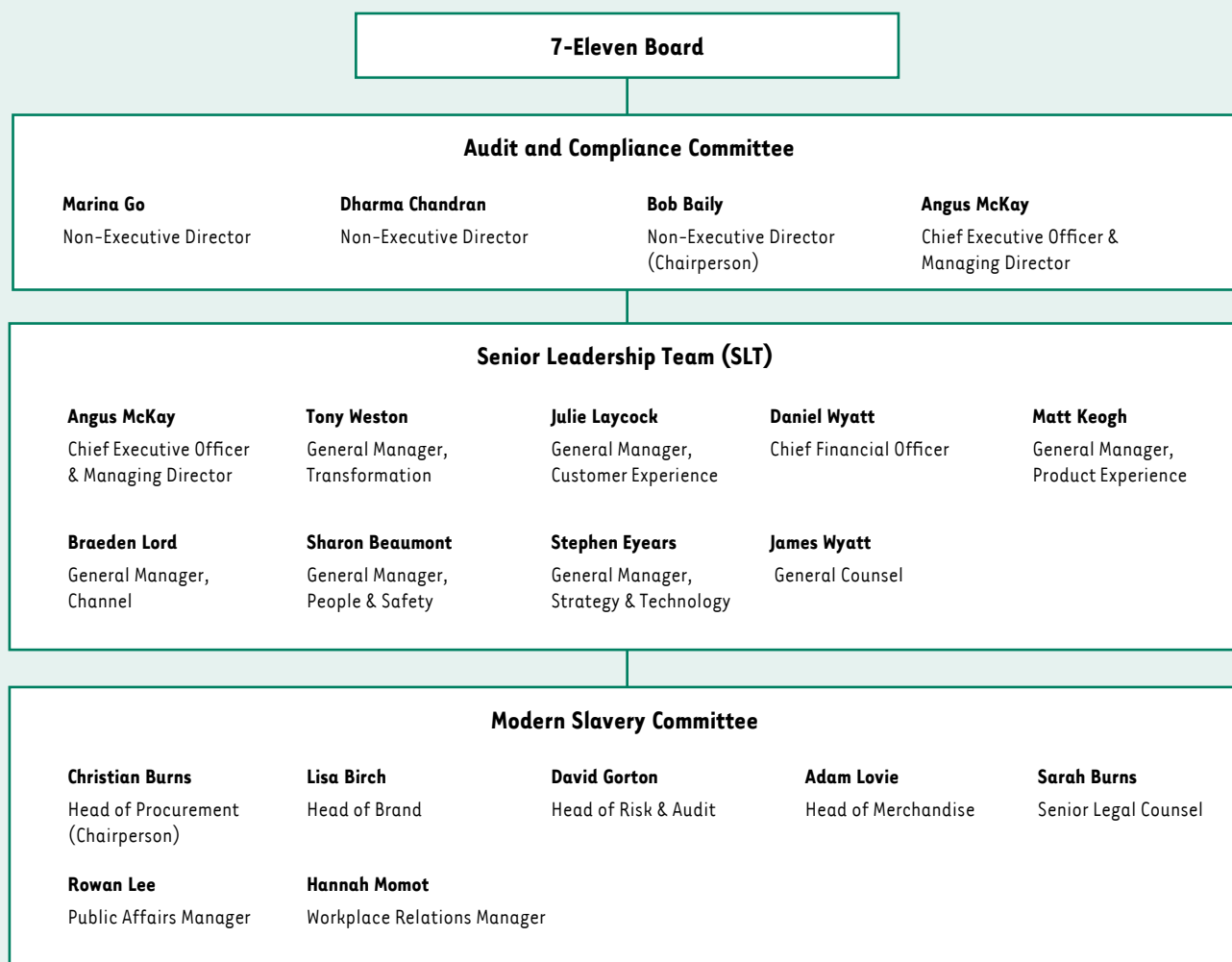
### 1. Modern Slavery Committee

Our Modern Slavery Committee is responsible for leading action implementation. The Modern Slavery Committee was formed in 2020 and its remit includes all the entities within 7-Eleven. The Committee is led by Christian Burns, Head of Procurement and members include senior representatives from Customer Experience, Human Resources, Public Affairs, Legal, Risk and Product Experience.

Our current governance structure also dictates that modern slavery risks, mitigation and management strategies will be presented as part of regular updates to the Senior Leadership Team and annually to the Board for discussion and endorsement.

We take a data-driven approach to modern slavery risk management and our Modern Slavery Committee will benefit from a recent, significant investment in supply chain data collection and collation. This investment included the development of new, purpose built data management systems. Our focus will continue to be on data completeness and accuracy, so we can transparently disclose relevant information in future reporting periods.

## STRUCTURE



## SECTION 3: MSS GOVERNANCE AND IMPLEMENTATION (CONTINUED)

### 2. Modern Slavery Policy and Workplan Development

In addition to this MSS, we are currently drafting a Modern Slavery Policy for internal use within 7-Eleven, and we will finalise this in the next reporting period. The policy will be signed off by our Modern Slavery Committee and SLT and will be rolled out across our organisation, supported by training and awareness-raising programs and internal communications. Communication of the policy will include our franchise and corporate store network, followed by a training program in future reporting periods.

The policy will help manage the risks of modern slavery across our operations and supply chain and manage our relationship with suppliers and our team members more broadly.

In the next reporting period, we will further formalise our approach to managing modern slavery risks by developing a Modern Slavery workplan. This will incorporate and develop further upon our key commitments highlighted at the beginning of this statement.

### 3. Sustainability Function and Policy

In the period to 30 June 2020, we revisited our internal organisational structure and began work to set up a sustainability function internally. This new function will be led by our General Manager Customer Experience and will encompass a wide portfolio of work including managing our approach to complying with our human rights obligations. These changes will be implemented by the end of March 2021.

We are also in the process of developing a **Sustainability Strategy and Sustainability Policy** which will set out our commitment to sustainable practices, and we expect to release during the financial year ending 30 June 2022.



### Relevant policies are set out below:

- Our **Code of Conduct** provides the framework for how all team members should conduct themselves to promote the behaviour and values of 7-Eleven.
- Our **Modern Slavery Policy** embodies our commitment to combatting modern slavery in our operations and supply chain and sets out key commitments and expectations for 7-Eleven team members, franchisees and suppliers.
- Our **Whistle-blower Policy** provides a channel for all franchisees, team members, family members, former team members, consultants, contractors and suppliers to raise concerns regarding misconduct, unethical or illegal activity as well as any breaches of the Code of Conduct.

## SECTION 4

# Risk analysis and actions

## OPERATIONS

## Risk identification and assessment

There is inherent modern slavery risk in relation to store-based labour violations. While breaches of employment laws are different to modern slavery, we treat any employment law breaches and/or labour violations as a serious matter. During the period ending 30 June 2020 we have not found any instances of modern slavery in our operations.

Table 3 sets out the exposure and residual risk to modern slavery risks within our operations.



TABLE 3: RISK OF MODERN SLAVERY

BUSINESS AREA	RISK
SUPPORT OFFICES	The majority support office team members are employed full-time, have secure migration status and are generally in permanent employment.
STORES	Some of our store team members hold temporary visas and are casually employed. We understand these factors put workers at higher risk of exploitation and, as set out on the next page, we have developed a number of controls to manage these risks.

## SECTION 4: RISK ANALYSIS AND ACTIONS – OPERATIONS (CONTINUED)

### Risk management and mitigation

Historically, most of the focus of our operational due diligence processes and controls has been on assessing, addressing and remediating the risks of underpayment within our stores. We take employment law compliance extremely seriously.

Many of the systems we built and processes we put in place to address underpayment risks have delivered the dual benefit of helping us assess and mitigate against risks of modern slavery.

Through sustained effort, investment and collaboration with our franchisees and the regulator, we have made significant reforms to our operational due diligence systems over the past five years. We recognise there is more to do to ensure our due diligence program is actively attuned to the changing nature of employment law and modern slavery risks. We are committed to continually improving in this area, with a view to demonstrating industry leadership.



### RISK MANAGEMENT CONTROLS

- Invested in innovative store technology to centrally record and capture time and attendance records for all team members at sign-on and sign-off.
- Centralised payroll and implemented increased oversight and other monitoring measures to ensure payroll non-compliance is more easily identifiable.
- Adoption of an HR technology system which standardises employment processes and documents to protect team member entitlements.
- Introduced quarterly Visa Entitlement Verification Online (VEVO) system checks for relevant team members.
- Invested in substantial field-level investigation and compliance activity.
- Created a sophisticated data analytics monitoring and reporting platform to further help identify unusual instances or patterns of behaviour with wage matters.
- Internal and external audits regularly undertaken to ensure our payroll complies with all relevant statutory requirements.
- Provided training and resources to our management, franchisees and store team members, to ensure they are aware of their rights and responsibilities.
- Established and promoted a confidential 24/7 hotline for any team members, service provider, supplier or family member to raise workplace wage compliance queries, issues or concerns and committed to investigating any issues raised, pursuant to 7-Eleven's Whistleblower Policy.
- Made available external employee relations advisory service for franchisees to access.
- Established an Employee Relations Governance Committee as a vehicle to continually monitor, refine and improve employee relations across the business.
- Instituted a clear process for applicant identity and right to work checks.
- Provided all team members with The Fair Work Information Statement as part of their onboarding, in addition to information about where they can get further assistance and raise any concerns.

## SECTION 4: RISK ANALYSIS AND ACTIONS – OPERATIONS (CONTINUED)



## Progress summary

In March 2020, we conducted a detailed assessment of our approach to managing risks of modern slavery in our operations and supply chain.

This assessment identified areas in which we perform well, and also where we need to improve. It provided us with a point in time snapshot of our systems and has been used to guide our process going forward and actions taken to date.

### WHAT WE'RE DOING WELL IN OPERATIONS

We have invested in substantial reform and remediation processes to reduce the risk of employment law breaches (see Risk Management Controls set out on page 15). We proactively engage our franchisees and store managers on obligations and the implications of non-conformance.

### OPERATIONS ACTIONS TAKEN TO 30 JUNE 2020

Given that we have already introduced robust risk management controls to address key operational risks, our actions in this reporting period have focused on strengthening policy and governance.

Our Modern Slavery Policy has been drafted, and will be finalised by 30 June 2021.

Our Modern Slavery Committee has been established with a commitment to engage more broadly with internal and external stakeholders and co-ordinate the implementation of our modern slavery workstream.



## SECTION 5

# Risk analysis and actions

## SUPPLY CHAIN

## Risk identification and assessment

In the reporting period to 30 June 2020, 7-Eleven worked with an experienced global consulting firm to conduct a modern slavery risk assessment of our supply chain. As part of this assessment, more than 2,000 suppliers and more than 5,000 products were reviewed.

The assessment focused on procurement conducted at the support office level, which covers products and services stocked in corporate stores, and most of what is stocked and provided to customers in franchisees' operations. It is worth noting that franchisees are able to source some of their products and services independently of the support office. Having started with our own supply chain, we will work with the franchisees to map their own supply chains in the coming reporting periods.

The assessment of supplier risk was conducted using recognised modern slavery risk protocols, which includes

# 2,000+

Suppliers reviewed

# 5,000+

Products reviewed

country and industry risk analysis. Product risk was assessed by taking a sector-wide approach, which allowed us to understand where in the supply chain the most significant risks lay. For example, for our finished goods, the risks of modern slavery are more likely to exist deep within the supply chain, such as in the sourcing of raw materials.

The risk assessment was conducted in four discrete stages, illustrated in Figure 1.

FIGURE 1 – SUPPLY CHAIN RISK ASSESSMENT PROCESS



1. Consideration of supplier industry and country risks
2. Consideration of known industry risks
3. Assess whether we are causing, contributing or directly linked to modern slavery
4. Deep dive into high risk categories; review of our internal and supplier controls

## SECTION 5: RISK ANALYSIS AND ACTIONS – SUPPLY CHAIN (CONTINUED)

### Risk relationships

The risk assessment process looked closely at our relationship to the risks, to understand whether we could be ‘causing’, ‘contributing to’ or ‘directly linked to’ modern slavery in our supply chain.

The concepts of cause, contribution and the direct link between them are set out in the UN Guiding Principles and the Guidance to the Modern Slavery Act. This analysis was important, and helped guide our product category assessment to ensure our immediate focus was on the highest risk areas where our relationship to the risks were closest.

### Category assessment

Using the results of the supplier and product inherent risk assessment, as well as the relationship analysis, we selected a number of product and service categories for an in-depth risk assessment to determine the residual risk. This gave us further insights into existing management and control processes and areas requiring further development and attention to manage modern slavery risks.



## SECTION 5: RISK ANALYSIS AND ACTIONS – SUPPLY CHAIN (CONTINUED)

### Lessons learned and focus areas

While the supply chain risk analysis process derived numerous insights, three key focus areas emerged:

# 1

#### Supply chain depth

As a procurer of mainly finished goods and services, the majority of our Tier 1 suppliers are Australia-based and as such are considered to have a moderate-low level of inherent modern slavery risks at an organisational level. Currently we have relatively limited insight into our supply chain beyond Tier 1, which presents us with an opportunity to focus on suppliers at the Tier 2 level in future reporting periods.

We understand risk exists within our Tier 2 supply chain. While the 11 product categories set out below will be our immediate focus, we are looking to extend this more broadly in the coming reporting period and beyond. Focusing on our own branded products will enable us to make a significant impact in addressing any issues first up, given the close relationships we have.

# 2

#### Higher risk products

A large proportion of the goods we procure and sell as 7-Eleven branded products contain components that have a higher risk of modern slavery within the supply chain, including coffee, sugar and chocolate. The risks associated with our direct suppliers of these products are likely to be considerably lower, given they are located in Australia. However, we are aware that there are industry and geographic risks within the supply chain of many of the raw materials or components, and relatively little insight to the risks. We recognise that our close relationship with the suppliers of own-branded products means we have greater capacity and responsibility to influence supplier behaviour in these categories, and as a result, our own-brand products will be our first focus.

# 3

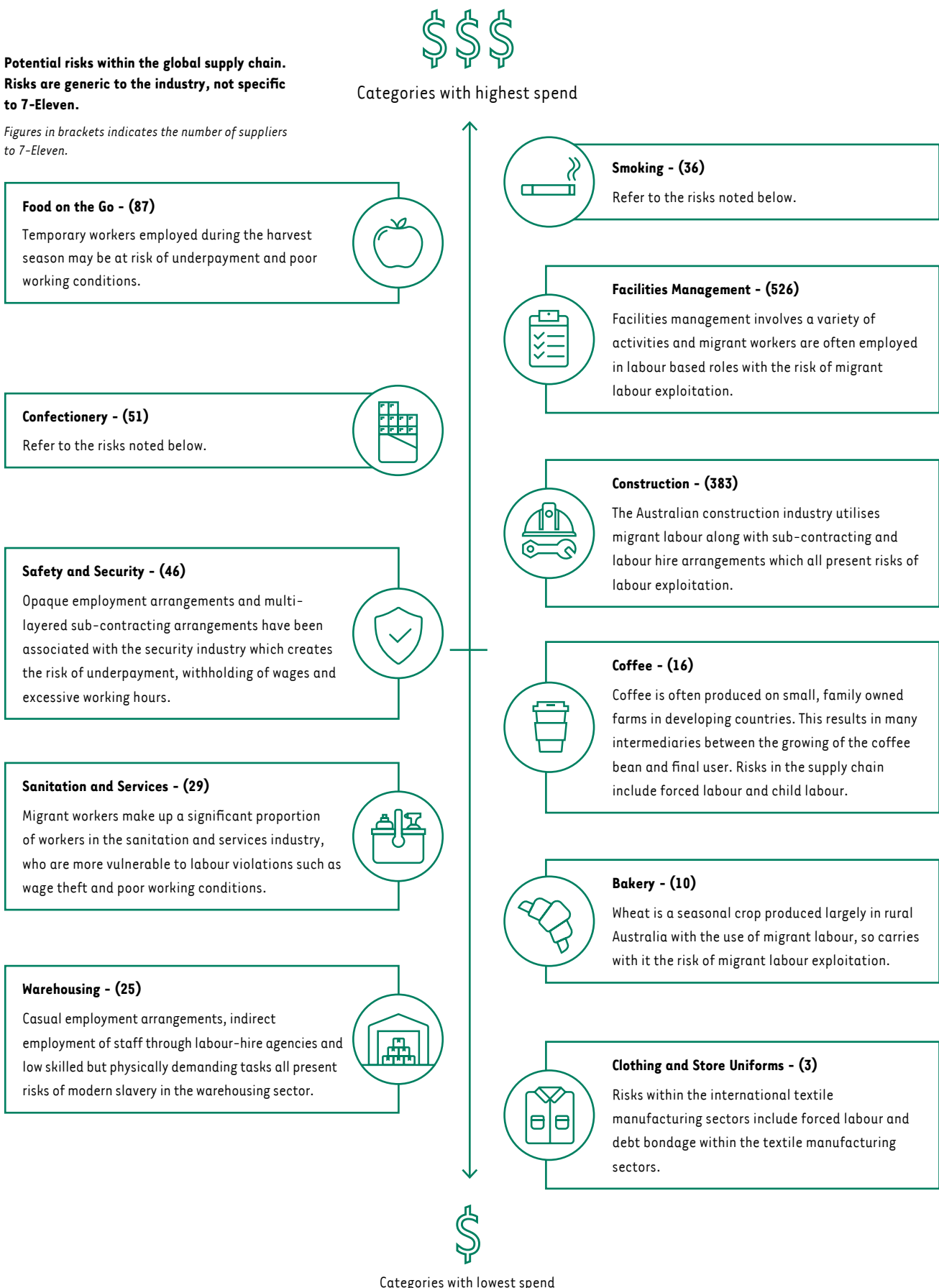
#### Higher risk industries

Our procurement of services such as cleaning and security was identified as carrying a relatively higher risk of modern slavery. We note that the Commonwealth Government Guidance emphasises that these industries, which often involve subcontracting agencies and migrant labour, have been associated with worker exploitation. We will therefore also make the procurement of these type of services a priority for the next period.

The 11 categories reviewed in our category risk assessment are outlined in Figure 2. The risks identified in Figure 2 are generic to the industry, and not specific to 7-Eleven. The number next to each category reflects the number of 7-Eleven suppliers, and categories are arranged from lowest to highest spend. We selected these categories based on the results of the supplier and product risk assessment and the risk relationship analysis, with categories containing high-risk products given greater weighting. We also took into consideration the level of spend for each category, and the assessment of these categories informed the commitments made in this MSS.

## SECTION 5: RISK ANALYSIS AND ACTIONS – SUPPLY CHAIN (CONTINUED)

FIGURE 2: ELEVEN CATEGORIES REVIEWED IN CATEGORY RISK ASSESSMENT



## SECTION 5: RISK ANALYSIS AND ACTIONS – SUPPLY CHAIN (CONTINUED)



### Tobacco and Confectionery

Of the product categories and supply chains which were reviewed as part of the risk assessment, tobacco and confectionery provided us with immediate opportunities. Both are high spend, important categories for our business and there are recognised industry and geographic risks in their supply chains. These categories meet two of our three key focus areas, making them worthy of particular attention.

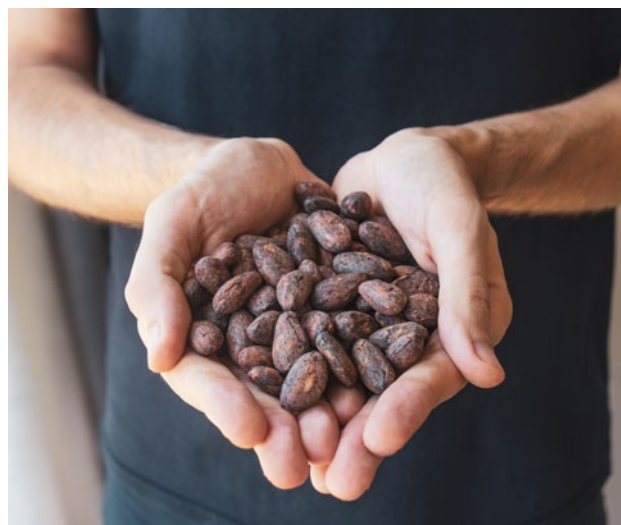
Our Tier 1 suppliers of tobacco were assessed as having a relatively low inherent risk of modern slavery in their own operations, as they are Australia-based, with a high level of regulation and human rights protection. However, from a Tier 2 supplier perspective, many of the 120 countries from which tobacco can be sourced have a low level of human rights maturity with respect to labour conditions, meaning there is risk of harm and rights violation.

In the next reporting period (ending 30 June 2021) we will work more closely with our Tier 1 suppliers to understand how they and their suppliers (our Tier 2 suppliers) will manage the risk of forced and child labor at the farm level and we will pursue this action under Commitment 1.

The situation is similar for confectionery. Most of our Tier 1 confectionery suppliers are large distributors based in Australia, and as a result, have a relatively low inherent risk of modern slavery in their own operations. However, there are several modern slavery risks linked to raw ingredients

commonly found in the confectionery supply chain.

A significant proportion of the world's cocoa and sugar supplies are produced in countries which are considered to have a low level of human rights maturity with respect to labour conditions, meaning there is risk of harm and rights violation. In future reporting periods, we will be engaging with our key confectionery suppliers to understand the origin of their raw materials, and their approach to assessing and managing the risks in their supply chain, and we will be pursuing this action under Commitment 1.



## SECTION 5: RISK ANALYSIS AND ACTIONS – SUPPLY CHAIN (CONTINUED)

### Risk management and mitigation

Following the completion of our supply chain risk assessment, we are determining how best to adapt our supply chain risk management and mitigation processes. We are also taking steps to formalise our approach to selecting and contracting with suppliers in order to limit modern slavery risk further down our supply chain. There are opportunities for us to strengthen and standardise the assessment of modern slavery risk across our procurement processes.

In the coming reporting period we will incorporate modern slavery as part of the risk-based supplier management framework. This will span the process from supplier identification and selection through to ongoing operational management.

We have several mechanisms to mitigate risks of modern slavery in our supply chain, including modern slavery contractual controls in our standard trading terms. Also, to mitigate against the risks of modern slavery associated with sub-contracting, our standard trading terms set out provisions aimed at preventing uncontrolled sub-contracting. In addition to these controls, we are also trialing the use of ethically certified products as a mechanism to mitigate risks in higher risk industries.

Our supplier management approach varies across individual suppliers, tailored as necessary based on the supplier's criticality to the business, the value of the relationship, and the quality and supply risks associated with the supplier. Like many retailers, our management approach to date has been focused on managing commercial, quality, health and safety and food safety risks, rather than explicitly managing modern slavery risks.

We use a wide range of controls in managing these risks, including regular touch points with our suppliers, supplier performance management processes and in some cases, audits for food safety and health and safety. While these controls do not currently explicitly mitigate against risks of modern slavery, they contribute to our broader understanding of our suppliers' businesses and are an opportunity to identify and investigate areas of potential concern. We are exploring how best to enhance these controls to take into consideration modern slavery risks.

An area for future focus is an appropriate process for remediation of any modern slavery issues identified in our supply chain. At a high level this process will have a focus on supporting suppliers to implement appropriate remedies and develop corrective action plans.

#### Embedding modern slavery requirements into our standard trading terms

In the last financial year we revised our standard trading terms to include clauses requiring that our suppliers consider and address modern slavery risks. Many suppliers have been migrated onto these terms, with rollout to continue in subsequent reporting periods. Establishing these contractual controls enables us to set our expectations with suppliers relating to modern slavery risk management early in the relationship and provides clear accountability where a supplier fails to comply.



## SECTION 5: RISK ANALYSIS AND ACTIONS – SUPPLY CHAIN (CONTINUED)



## Progress summary

In March 2020, we conducted a detailed assessment of our approach to managing risks of modern slavery in our operations and supply chain.

This assessment identified areas in which we perform well, and also where we need to improve. It provided us with a point in time snapshot of our systems and has been used to guide our process going forward and actions taken to date.

### WHAT WE'RE DOING WELL IN SUPPLY CHAIN

We have mechanisms in place to mitigate risks of modern slavery in our supply chain, including modern slavery contractual controls.

### SUPPLY CHAIN ACTIONS TAKEN TO 30 JUNE 2020

We conducted a detailed modern slavery risk assessment using an experienced, global external consulting firm.

We have developed a roadmap to guide implementation of actions in future reporting periods.

SECTION 6

# How will we track our progress?

## MEASURING OUR EFFECTIVENESS

Across our business, we are in the process of developing a systematic approach to measuring the effectiveness of our systems and processes in managing modern slavery risks in our operations and supply chain.

### FIGURE 3: MEASURING OUR EFFECTIVENESS NOW AND BEYOND

As we continue our journey, we will explore opportunities to improve our approach to measuring the effectiveness of our actions within our modern slavery strategy.





## SECTION 7

# Looking after people in a changing world

## OUR COVID-19 RESPONSE



### Operations

The COVID-19 pandemic presented significant, global challenges – not least of which was the impact on human life. Governments, health care, businesses and individuals were required to respond and cope with an unprecedented situation which continued to evolve.

To effectively respond to the many impacts of COVID-19 across our operations, including its potential to increase the vulnerability of workers to modern slavery due to the high presence of workers with temporary visas, 7-Eleven established a cross-functional response team, reporting regularly to the Audit and Compliance Committee and into the SLT. The team, comprised of senior leaders from Safety and Food Safety, Risk and Retail Operations, was charged with considering and implementing the necessary measures to ensure our team members, customers and suppliers were safe during the pandemic. This often meant looking for ways to protect and support our most vulnerable.

We took a number of measures to mitigate the impact of COVID-19 on our team members while they were at work, including installing special customer signage, increased cleaning, and providing hand sanitiser, protective screens, gloves and face masks. We also ensured anyone left vulnerable was looked after, providing income support for store-based team members when stores were temporarily closed as a result of the impacts of COVID-19. This helped address the risks and stress associated with actual loss of income, and also the fear of losing income, and was additional to the Federal Government's Job-Seeker entitlements. 7-Eleven also provided additional leave provisions for team members directly impacted by COVID-19.

We remain an active participant and contributor in the Australian Retailers Association (ARA) and other industry groups. The ARA has been active in developing guidelines for retailers on the measures to protect team members from illness, appropriate measures to inform and self-isolate if suspected of having the virus and promoting the safe return of team members back to work. In the financial year to 30 June 2020 there were no cases recorded of COVID-19 being transmitted through the 7-Eleven store network. We will continue to support our team members and customers and do what we can to ensure their safety and wellbeing as the pandemic unfolds further.



## SECTION 7: LOOKING AFTER PEOPLE IN A CHANGING WORLD (CONTINUED)



### Supply Chain

As a result of COVID-19, 7-Eleven initiated increased supplier communications with a focus on open dialogue between us and our suppliers on the impacts of COVID-19 on supplier operations. Some examples of the specific support we provided included:

- Continuing with orders where possible. When orders needed to be paused, payments were made to cover the work completed to that point.
- Provided greater order forecast visibility to suppliers to allow for staff planning.
- Increased delivery windows for stores to allow for team member reductions in distribution centres.

### Impacts

The challenges of managing a large team and retail facing network through the COVID-19 pandemic in the 30 June 2020 financial year were significant, and required immediate and consistent focus. This diverted some resources from within our operations and supply chain away from their focus of addressing modern slavery risks, and led to some unavoidable delays including in relation to:

- Development of the modern slavery training material.
- Development of measures to monitor and evaluate our effectiveness in managing modern slavery risks in our operations and supply chain.

In line with our commitments in this MSS we will progress these actions as a priority in the next reporting period and continue to develop and implement our modern slavery strategy and work plan. We will also monitor additional modern slavery risks related to COVID-19 on an ongoing basis, so these factors can be incorporated into our management of suppliers.

## SECTION 8

# Our future outlook

Modern slavery must be eliminated globally and any risks identified in Australia-based businesses like 7-Eleven must be mitigated. It's up to us to show leadership on this issue.



## Our values

As an organisation, our values are clear:



**Reach Higher**



**Delight Customers**



**Thrive Together**



**Do What's Right**

Our Board, Senior Leadership Team, management and team members commit to live them every day, in our words and actions and most importantly in how we treat each other and our external stakeholders. Together we will make the ordinary extraordinary – that's our cultural ambition and it means more to us than just words on a page.

While it's early days in our journey, we are proud of the steps we have taken to date to ensure compliance with the Modern Slavery Act. During what was a year like no other in Australia and around the world, in the face of the many and varied challenges brought on by a global pandemic, we have made solid progress.

We have identified risks in our supply chain, undertaken work to strengthen our operational due diligence systems, and committed to address our most significant risks and continue to look for opportunities to improve.

We look forward to continuing to work with our team members, franchisees and suppliers over the next reporting year to implement the six key commitments listed in Table 1 of this document. We have also considered the next steps in our journey, outlined in Table 4.

While all 7-Eleven's values are important, it's part of our DNA to do "Do What's Right" and we will continue to support initiatives like the Modern Slavery Act and work with like-minded organisations, governments and nations towards the elimination of modern slavery, because the protection and preservation of human rights is non-negotiable.

## SECTION 8: OUR FUTURE OUTLOOK (CONTINUED)

TABLE 4: OUR HORIZONS FOR FUTURE ACTION

PERIOD ENDING 30 JUNE 2021	2021-2023 HORIZON
Work with key Tier 1 suppliers in high risk categories to better understand Tier 2 supply chain.	Extend work to next priority Tier 1 suppliers.
Publish our Modern Slavery policy	Review related policies to identify opportunities to align and strengthen actions related to Modern Slavery risk mitigation.
Provide training on the Modern Slavery Policy to procurement, category management and human resources team members.	Extend training to remaining functions across the organisation and to franchisees and store managers.
Develop an organisation-wide Modern Slavery Workplan	Develop an organisation-wide Modern Slavery strategy, aligned to the enterprise sustainability strategy, exploring options for specific programs and partnerships to address root causes such as tracing raw materials in key supply chains.
Formalise our approach to assessing and mitigating modern slavery risks in our supplier management processes.	Optimise the approach to assessing and mitigating modern slavery risks based on feedback from the team members and supply chain.
Determine the metrics to measure the effectiveness of actions to assess, address and remediate risks of modern slavery.	Implement metrics and use the insights to input into the Modern Slavery strategy and annual Workplans.

## SECTION 9

## Statement of approval



This Statement was approved by the 7 HOLDINGS PTY LTD (31 005 620 851) Board, the principal governing body for 7 Holdings, on its own behalf and on behalf of its wholly-owned subsidiaries CONVENIENCE HOLDINGS PTY LTD (71 143 746 356) and 7-ELEVEN STORES PTY LTD (48 005 299 427).

Angus McKay, CEO and Managing Director of 7-Eleven Stores Pty Ltd and director of 7 Holdings Pty Ltd and Convenience Holdings Pty Ltd, on 23 March 2021.



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