

Metcash Limited

2021

**Modern Slavery  
Statement**

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# 1 Introduction

This Modern Slavery Statement is in respect of the financial year ended 30 April 2021 (FY21) and represents Metcash's second Statement under the Modern Slavery Act 2018.

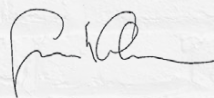
Metcash prides itself on being a responsible organisation which is opposed to any form of modern slavery and is committed to upholding human rights across our supply chain and operations.

We have continued to use the United Nations Guiding Principles on Business and Human Rights framework for assessing how our operations and supply chain may be associated with modern slavery risk.

Driving our modern slavery risk mitigation, due diligence and remediation process is an acknowledgement that we may cause or contribute to the risk of modern slavery through relationships associated with the sourcing of products and services.

Our approach to modern slavery is one of continuous improvement and this year we significantly extended the depth and breadth of our risk mitigation program. We do, however, acknowledge that it is only by way of collaboration and shared vision that we can build trust with our business partners to address the root causes of modern slavery with appropriate remedies to uphold human rights in our supply chain and operations.

This statement has been approved by the Board of Directors of Metcash Limited and signed by Jeff Adams, as a director and member of the Board.



29 October 2021

# 2 Reporting entity

This modern slavery statement (the **Statement**) is made by [Metcash Limited (ABN 32 112 073 480)] on behalf of itself and the following reporting entities:

- Metcash Food & Grocery Pty Ltd (ABN 67 004 391 422)
- Australian Liquor Marketers Pty Ltd (ABN 52 002 885 645)
- Mitre 10 Australia Pty Ltd (ABN 98 009 713 704)
- G Gay Hardware Pty Ltd (ABN 74 167 759 220)
- Tasmania Hardware Pty Ltd (ABN 46 159 847 462)
- Sunshine Hardware Pty Ltd (ABN 95 129 140 085)
- Total Tools Holdings Pty Ltd (ABN 57 138 595 525)
- Metcash Food and Grocery Convenience Division Pty Ltd (ABN 57 000 226 399)

(together, **Metcash**).

References to 'our' and 'we' in this Statement are references to this group. This Statement also describes practices that are common to Metcash's other majority-owned and/or controlled subsidiaries [and managed joint venture operations] (the **Metcash Group**).

### 3 About Metcash: our structure, operations, and supply chain

Metcash is Australia's leading wholesaler and distributor, supplying and supporting approximately 5,000 independent retailers which form part of our bannered networks, as well as several other un-bannered businesses across the food, liquor and hardware sectors. Our operations are primarily in Australia, and to a much lesser extent, New Zealand through a small liquor operation.

We operate a low-cost wholesale distribution model that enables independent retailers to compete against vertically integrated retail chains and other competitors. Our core competencies include procurement, logistics, marketing, retail development and retail operations support. We operate major distribution centres in all the mainland states of Australia, as well as a number of smaller warehouses and a portfolio of corporate stores.

Our business pillars are described below:

Pillar	Description	Brands
<b>Food</b> 	<p>In Food, we proudly support a network of over 1,600 independently owned stores Australia-wide including the well-known IGA and Foodland brands. The stores that we support sit at the heart of the local community, sourcing a range of the best products from local producers and contributing to the local community.</p> <p>Food also comprises Metcash's Convenience division, which provides a 'one wholesale solution' for more than 90,000 customers nationwide including: forecourt retail, convenience businesses, small coffee shops, fresh food outlets and restaurants.</p>	 
<b>Liquor</b> 	<p>In Liquor, we are the largest supplier to independent liquor retailers and the largest broad range liquor wholesaler in Australia. Through our IBA banner group we support ~2,700 stores across leading independent retail brands such as Cellarbrations, the Bottle-O, IGA Liquor, Duncan's, Thirsty Camel, Big Bargain and Porters Liquor.</p> <p>In addition to supplying liquor stores, Australian Liquor Marketers (ALM) incorporates a specialist on-premise liquor division that supports bars, pubs, restaurants and hotels. It also provides a similar supply service in New Zealand via the Tasman Liquor Company.</p>	  
<b>Hardware</b> 	<p>In Hardware, we support the largest Independent Hardware Group (IHG) in Australia and are a leader in servicing the Trade market. Our independent retailers operate under the leading brands of Mitre 10 and Home Timber &amp; Hardware, along with Hardings, Thrifty-Link Hardware and True Value Hardware. We supply more than 1,500 stores nationwide. In September 2020 Metcash acquired a controlling interest in Total Tools Holdings which is the franchisor to a retail network of ~90 stores.</p>	  

We have complex global supply chains that include, but are not limited to, activities in logistics; hardware for construction; home repairs and alterations; agriculture; seafood; forest products, and apparel. We source goods and services from over 2,200 suppliers. Our global supply chains include thousands of direct and indirect suppliers who grow, manufacture and move raw materials and finished goods.

In addition, we contract ancillary suppliers to help keep our premises secure, maintained and clean, and we outsource some Group accounting and IT functions to overseas service providers.

Our retailer networks are largely independently owned and operated. While we seek to assist our retailers with awareness and understanding on modern slavery, including through training, we do not supply all their products and they are ultimately responsible for compliance with the Modern Slavery Act as it applies to them.

## 4 Areas of modern slavery risk in supply chain and operations

Metcash's operations are primarily based in Australia, with smaller facilities in New Zealand and Asia. Given the level of control and oversight we have over our own operations, we consider that our more significant risks reside in our supply chain rather than our operations. As outlined in Section 5, our operations are subject to Metcash Group-wide policies, a risk management system, and compliance controls that are designed to identify and mitigate employment law and payroll issues. These mechanisms help us to reduce potential modern slavery risks in our operations.

Metcash's supply chains have inherent human rights risks due to the diversity, complexity and geographic locations of our sourcing and product categories. In FY21, we continued to deepen our understanding of the risk of modern slavery to help direct our mitigation actions. We acknowledge that there is a risk that modern slavery, including the eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour may exist within our supply chain. We continue to take clear and measurable steps to reduce these risks and also take remediation action where appropriate.

To further build on the modern slavery risk assessment completed in the prior year, Metcash engaged Edge Consulting for its expertise in supply chain social risk screening and sustainable procurement. This included undertaking a third-party risk assessment of the inherent risk by country of origin, industry, product, commodity and spend level. Therefore, the modern slavery risk rating applied to our suppliers encompasses the risk of first tier suppliers, as well as upstream second and third tier suppliers.

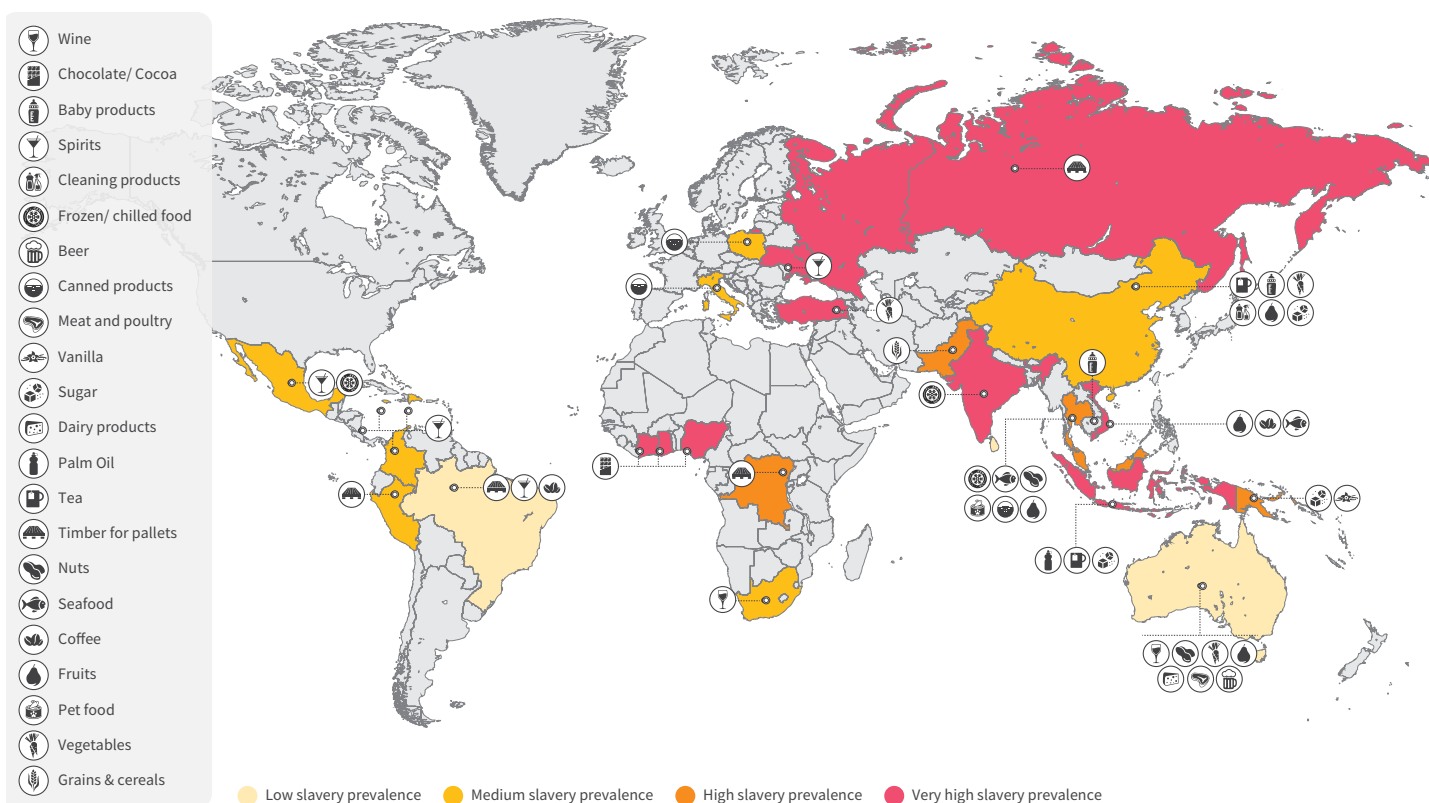
The risk assessment included a hotspot analysis of issues including child labour, forced labour, excessive working time, exploitation of migrant labour, gender equality, and legal systems and corruption using the following:

- Social Hot Spots Database (SHDB)
- Exiobase indicators on proportion of unskilled labour
- Global Slavery Index's Prevalence and Vulnerability data
- Child Rights Index and country due diligence response score
- Evidence of modern slavery issues cited in an extensive literature review

The modern slavery risks identified as being associated with particular goods and service procurement included:

- Forced labour, exploitation of migrants, underpayment and child labour in the cultivation of high-risk commodities including coffee, tea, rice, sugarcane, palm oil and cereals and in the production of some food products
- Slavery in the fishing industry
- Exploitation of migrants, deceiving recruitment practices and underpayment or poor working conditions in supply chains including cleaning and security services, fresh produce agriculture and meat processing
- Forced labour and child labour in cultivation of ingredients including sugar cane, palm oil, rice and wheat
- Forced labour and child labour in raw material extraction and manufacturing in products including electronics and timber and metal hardware products

The assessment identified risk at both a country and supplier level for each of Metcash's pillars and assisted Metcash to prioritise actions. Our initial focus has centred on key commodity risks within the Food pillar as represented in the map below. This map will be extended to include products or materials from Hardware and Liquor as we continue to implement our enhanced approach to modern slavery risk assessment, and as our visibility of the supply chain and countries of origin increases over time.



## 5 Actions taken to address the risk of modern slavery

### 5.1 Governance

Recognising that modern slavery is a complex risk that is intertwined with Metcash's Environmental, Social and Governance (ESG) risk management, we established an ESG Council that is chaired by the Group CEO and includes representation from our Group Leadership Team (GLT). The ESG Council reports to the GLT, which in turn provides updates to the Metcash Board. The Metcash Risk Management Framework, overseen by the Audit, Risk and Compliance Committee assesses broader enterprise risks which includes modern slavery.

The ESG Council will be the conduit for all modern slavery governance matters, and it oversees the Company's response to minimising the risk of modern slavery. This includes:

- Embedding modern slavery risk management across all pillars of our business
- Promoting accountability for modern slavery risk management
- Reporting progress against the modern slavery action plan
- Working with the People & Culture and Corporate Affairs functions to develop internal and external communications, and
- Assisting our pillars to advance their awareness of modern slavery and the ESG capabilities of our retailer networks

Representatives from our Food, Liquor and Hardware pillars, as well as Group Procurement, have been responsible for implementing appropriate governance and due diligence processes, including assessing their effectiveness.

Our governance structure for minimising the risk of modern slavery is shown below:



### 5.2 Policies

Metcash has reviewed various policies, procedures and documentation in the context of modern slavery and made updates where relevant. The documents of particular relevance to modern slavery include:

- Code of Conduct
- Speak Up Policy
- Group Procurement Policy
- Supplier engagement terms
- Supplier on-boarding procedures
- Anti-Slavery Policy

A full list of our policies can be found on the Metcash website at [www.metcash.com](http://www.metcash.com).

### 5.3 Due diligence process

A revised due diligence process was developed which incorporates Metcash's approach for identifying and managing the risk of modern slavery in our supply chain and operations. This process aims to:

- Raise the awareness of our employees and suppliers about the risk of modern slavery
- Gather information to help Metcash identify risks and take appropriate action
- Promote a culture of speaking up without fear of retribution
- Ensure we are ready to respond and/or provide remedy to instances of modern slavery

### 5.4 Supplier engagement

The Company has more than 2,200 suppliers, each with varying maturity in their process for preventing and mitigating the risk of modern slavery. Our supplier risk prioritisation process resulted in our suppliers being labelled with a risk rating of low, medium or high, and being segmented by spend, private or proprietary label, level of influence, sector or product and country of sourcing.

The risk prioritisation process informed the due diligence approach and level of engagement with individual suppliers. Supplier engagement approaches were applied to each supplier based on their risk rating. These included:

- An invitation to a round table discussion
- A request to complete our modern slavery self-assessment questionnaire
- A request to complete the Sedex ethical survey and audit
- Bespoke correspondence with suppliers



## 5 Actions taken to address the risk of modern slavery continued

### 5.4.1 Self-assessment questionnaire

To understand more about our suppliers' risk profile for modern slavery we asked a selection (631) of our suppliers that were identified in our risk assessment as having elevated risk to complete a self-assessment questionnaire (SAQ). Feedback from the SAQ is used to evaluate each supplier's understanding of modern slavery in their operations, including what policies, processes, audits and third-party affiliations the supplier has in place. We also evaluated their willingness to expand their knowledge on modern slavery by attending training provided by Metcash. Of the responses assessed, 97% of suppliers indicated that they had an awareness of modern slavery requirements, 31% stated that they are preparing or have prepared a modern slavery statement, and 53% provide training on modern slavery to workers and have policies in place to mitigate modern slavery.

This process allowed Metcash to assess suppliers understanding of modern slavery, and to determine the level of risk management and maturity of the processes within their organisations. This enabled Metcash to categorise suppliers into three categories:

- No response and current need for engagement
- Follow-up required based on inadequate response
- Acceptable response

Based on responses, or in the case of non-response, suppliers were assigned a risk score to prioritise actions for follow-up, with 13 suppliers flagged as high priority.

Level of priority	Number of suppliers	Supplier/Product Profile
High priority	13	Supplier sources goods or services from high-risk countries while having minimal prevention processes
Medium priority	35	Supplier either sources goods or services from high-risk countries and has modern slavery mitigation policies and processes in place; or does not source from high-risk countries and has no knowledge of modern slavery risks or prevention processes in place
Low priority	130	Supplier does not source from high-risk countries and has a clear understanding of modern slavery with adequate mitigation policies in place

### 5.4.2 Sedex

Suppliers of Metcash's private label products in the Food pillar were requested to join Sedex, one of the world's leading ethical trade membership organisations. Through Sedex, members are required to perform a self-assessment questionnaire, and Metcash is provided with access to independent third-party social audit reports of our suppliers' production facilities. Currently, ~85% of suppliers' sites linked to Metcash on Sedex in FY21 completed their self-assessment questionnaire or provided audits on their facilities. This covers 168 sites across 14 countries.

The third-party audit findings presented in Sedex identified several non-conformances, allowing our team to assess various critical issues and to engage with these suppliers in relation to corrective action. This process has resulted in a deeper understanding of our risk profile and the appropriate action required to address, manage and reduce the risk of modern slavery.

Suppliers assessed as having critical, major and minor non-compliance issues were deemed high-risk suppliers, while suppliers that had other non-compliance not related to human rights were categorised as medium-risk suppliers for the purpose of follow-up activities. The following table summarises the non-conformances.

Category issue	Non-Conformances			
	Critical	Major	Minor	Total
Children and Young Workers			1	1
Entitlement to Work			1	1
Health, Safety and Hygiene	2	8	17	27
Management Systems		1	1	2
Worker Grievances		1	1	2
Regular Employment			2	2
Wages		1	2	3
Working Hours		5		5
<b>Total</b>	<b>2</b>	<b>16</b>	<b>25</b>	<b>43</b>

### 5.4.3 Supplier correspondence

In cases where Metcash became aware of a specific risk in a supplier's operations or an industry, one-to-one engagement by phone or email was conducted. For example, Metcash became aware that a supply partner relied heavily on sub-contracted labour, a known risk factor for modern slavery. This led to Metcash requiring contracts to reference the Fair Work Australia Award Pay Guide. These pay rates must be transparent at the point of engagement and be included in the tender proposals. Contractual agreements were then drafted to provide provision for an audit to encompass document inspection, including historical records if necessary.

## 5 Actions taken to address the risk of modern slavery continued

### 5.4.4 Supplier roundtable discussion

To help deliver effective and timely outcomes, Metcash prioritised its efforts on areas of possible influence. This included our pillar merchandise teams identifying key suppliers to invite to roundtable discussions on modern slavery. The roundtable attendees consisted of representatives from Metcash's Corporate Responsibility and Merchandise functions, and representatives from supplier Account teams, Corporate Affairs and Sustainability functions. The roundtables were chaired by independent consultants Edge Consulting.

Supplier selection criteria for attending these roundtables included the strength of Metcash's relationship with the supplier, its ability to influence, spend levels with the supplier and the level of modern slavery risk associated with the supplier's products. Our intention was to explore the gaps in modern slavery risk mitigation, as well as opportunities to partner, learn and collaborate on the shared modern slavery risks in the supply chain.

Eight supplier roundtable discussions were held that covered a diverse range of supply chains including cleaning services and waste management, viticulture, international food supply chains for at-risk commodities, domestic agriculture and distribution and production of hardware products. The areas of discussion included:

- The supplier's general understanding of modern slavery risk in their supply chains
- Labour management and practices at their operational site(s) including any labour hire or migrant labour
- Details of the systems in place to demonstrate compliance (e.g. site assessments and policy documents)
- Evidence of a grievance mechanisms to allow the voice of the worker to be heard
- Remediation processes

Suppliers were encouraged to share successes and areas for improvement and be transparent around incidences of modern slavery or difficulties in implementing modern slavery due diligence.

The most common area of discussion in each roundtable centred around the challenges associated with COVID-19. Travel restrictions and reduced operating capacities of production sites globally have placed an additional layer of stress on supply chains and impeded the ability of our suppliers to be able to gain the type of 'first-hand' transparency to which they are accustomed. Many suppliers would ordinarily and regularly perform onsite visits to their manufacturing partners and rely on this visibility to inform their validation as a key element of quality assurance and of human labour rights performance. They also reported that third-party audit processes had become much more challenging.

Some specific insights from the round table discussions are detailed below:

- Due to the inherent risk of modern slavery in the cleaning industry, a large supplier of cleaning services to Metcash was identified as having a high risk of modern slavery. Through the round table discussions, we found that the supplier's approach to managing labour risk with its sub-contractors was advanced and mature. The supplier had been instrumental in the advocacy that created the Cleaning Accountability Framework (CAF), which is recognised as best practice in Australia for the protection of cleaners. The CAF framework includes a pricing model that protects the value of the labour as well as ensuring cost transparency to provide a level playing field in the tendering process. The cleaning supplier has released its own modern slavery statement and uses a contract management tool to monitor compliance by its suppliers

- A fresh food and agriculture business was identified as having a high risk of modern slavery in its supply chain. The supplier was able to demonstrate through the round table discussion a strong understanding of its supply chain and the risk of labour rights issues among its supplier partners that regularly engage with third-party labour hire providers. Each supplier partner receives a modern slavery questionnaire for completion. This is then used as the basis for a modern slavery risk assessment. The supplier partner is provided with regular modern slavery training to assist in risk identification areas, particularly on-site accommodation and fair remuneration. Some instances of pay discrepancy were found, and subsequently remediated
- A national waste services provider was identified as having a high-risk supply chain due to the level of subcontractor arrangements that it has in place. Through the roundtable discussions Metcash learned more about its contractor management platform and the supply chain visibility it provides to minimise the risk of modern slavery in its network of contractors. The service provider also regularly audits its ~900 subcontractors and shares the results of the audits via a portal, that Metcash has been given access to. The portal also enables the subcontractors to upload their own modern slavery statement and relevant certifications, providing additional transparency. The waste service provider has published its own modern slavery statement and has embedded the subcontractor audit process into its onboarding system
- Another supply partner was less advanced in its understanding of modern slavery governance mechanisms and the transparency required for modern slavery reporting. The supplier had not engaged fully with an auditor to assess its multiple manufacturing partners in Asia and had not enacted a compliance framework or a grievance mechanism. While many of this supplier's factories provided information to the Sedex platform, a number did not and they failed to respond to requests to do so. Through the roundtable discussion the supplier indicated they were open to Metcash's assisting them establish and disseminate a 'Speak Up' policy within their organisations and throughout their supply chains to help enhance workers' rights. Through these discussions we now have an opportunity to collaborate with our supplier by sharing our knowledge and resources and strengthening their practices through an agreed action plan

While these roundtable sessions have provided Metcash with better visibility of the challenges faced by our suppliers, they have also provided a forum to discuss improvement and collaboration opportunities to help further minimise the risk of modern slavery in our supply chain and operations.



## 5 Actions taken to address the risk of modern slavery continued

### 5.5 Education

We aim to ensure that our employees, retailers and suppliers receive adequate training to understand the risks of modern slavery and identify possible cases. To help drive this, Metcash developed an online training module which raises the awareness of modern slavery and helps our employees, retailers and suppliers understand what actions they can take should modern slavery be discovered.

The training module includes:

- An introduction to the Modern Slavery Act
- What modern slavery looks like in the context of Metcash's operations and supply chains
- Case studies
- Metcash's approach to minimising the risk of modern slavery
- An introduction to Metcash's Anti-Slavery and Speak Up policies
- How to report incidences of modern slavery
- Metcash's process for remediation

The online training was provided as a priority to our procurement and merchandise functions, and it is now being rolled out across the Metcash Group. It is also being rolled out to our retailers and suppliers.

A tailored workshop for retailers was conducted and attended by several members of the National Retailer Council (representative body of our IGA independent retailers), including representation from several of our multi-store owner networks such as Foodland, Romeos, Cornetts and Ritchies.

### 5.6 Grievances and remediation process

#### 5.6.1 Grievance mechanism

Metcash has an independently operated Ethics Hotline accessible by phone, post or through an online portal that can be used for grievances and the reporting of any concerns in relation to unethical or illegal behaviour, including modern slavery and human trafficking. The Hotline is available to Metcash employees and external parties including suppliers, employees of suppliers, advisers, consultants and specialists.

A key insight of the round table discussions with suppliers was that grievance mechanisms are often not used by suppliers or promoted throughout the supply chain. Metcash is pursuing this as an opportunity and is sharing our 'Speak Up' policy and encouraging suppliers to promote the availability of a workers hotline for reporting concerns.

#### 5.6.2 Metcash Remediation Plan

The Metcash Remediation Plan provides a framework for responding to reports or instances of modern slavery, with the primary goal of protecting the victim. We acknowledge that instances of modern slavery are complex and that every case is unique and should be treated individually. Therefore, the type and level of remediation that Metcash provides to the victim will be determined by Metcash's relationship and whether Metcash caused, contributed to or was directly linked to the case.

If Metcash cannot resolve the issue, or if the company determines it is unable to protect the victim, it will contact the appropriate authorities or collaborate with an expert organisation. We encourage speaking up without fear of retribution and take seriously any allegations that human rights are not properly respected.

### 5.7 Collaboration

Metcash recognises the importance of collaboration and working together with not-for-profits, peers and investors to expand our learning, share lessons learned and find opportunities to leverage possible influence. To date, Metcash has supported the following organisations which help demonstrate our commitment to addressing slavery in Australia where we can have influence:

- We promote and advocate for suppliers of fresh produce to join the Fair Farms Program and accept accreditation of suppliers through the Fair Farms Program as part of our due diligence supplier assessment process
- For the past six years, we have been a supporter of the social enterprise Freedom Hub that aims to end slavery in Australia
- Metcash attended a number of group and one-to-one discussions regarding modern slavery with investors groups and asset managers
- We support participation in the industry-led Fair Farms initiative for the Australian horticultural sector. The capacity-building scheme encourages a pathway to third-party certification and allows our suppliers to demonstrate their commitment to fair work practices

### 5.8 Onboarding of Total Tools

Metcash acquired a majority stake in Total Tools Holdings (Total Tools) in September 2020. Total Tools has a dedicated team based in Asia that manages procurement and related audit processes. The team has found that they can effectively utilise Sedex as an ethical trade audit and reporting platform. The Sedex assessments have found minor non-conformances which they have been able to mediate through corrective action plans. Total Tools has also implemented a zero-tolerance policy for forced and child labour and acknowledge the challenges that sourcing from China brings regarding workers' freedom of movement and association rights. Audit requirements are a part of the existing supplier trading agreements and are included in the onboarding process for new supplier partners.

## 6 Assessing the effectiveness of our actions

Metcash defines the effectiveness of our modern slavery actions as the success of our business to prevent, identify and mitigate the risk of modern slavery in our operations and supply chain. While noting that Metcash is only early in its modern slavery risk mitigation journey, it did seek input from key internal stakeholders, suppliers and other third parties including Edge Consulting and Monash University to assist with assessing the effectiveness of our actions.

We also continue to track our progress against key indicators such as:

- Completion of our supplier self-assessment questionnaire
- Sedex membership
- Number of non-conformances identified in audits
- Internal and external training module completion
- Number of cases remediated

### 6.1 Supplier audits

Through the Sedex third-party audits we were able to identify several human rights non-compliances. The suppliers with critical, major and minor non-compliance were deemed high-risk suppliers while the suppliers that had other non-compliance not related to human rights were categorised as medium-risk suppliers. This information has been allowing our team to assess the critical issues and to engage with the corresponding suppliers.

### 6.2 Challenges identified with our key suppliers

Our roundtable discussions with suppliers and ongoing engagement have proven invaluable for improving our understanding of the maturity of our supply chains and the challenges we and our suppliers face together in addressing the risk of modern slavery.

These include:

- While large corporate suppliers could generally demonstrate progress in addressing the risk of modern slavery, many of our suppliers are at the beginning of their journey and lack maturity in their understanding and risk management processes
- Our suppliers have limited traceability of components and/or ingredients beyond their first tier of suppliers, creating a challenge for Metcash to gain full and accurate transparency of the provenance of all elements of the products we procure
- The use of subcontractors increases risk and decreases influence that both Metcash and our suppliers have over their supply chain. Ensuring that suppliers have strong risk management processes in place is key and a future focus of Metcash's due diligence measures
- A large percentage of our suppliers engage in offshore manufacturing. The impact of COVID-19 has limited the ability for in-person assessment and on-site audits. The majority of our suppliers do not have an alternative risk management process in place to address this gap
- Many of our suppliers either do not have a grievance mechanism or do not promote their grievance mechanism to the supply chain. The sharing of Metcash's 'Speak Up' policy and Hotline is expected to help with this
- Through our direct supplier engagement we uncovered an instance of wage underpayment by a supplier. The discovery was brought about through the supplier's due diligence during the acquisition of another organisation. This demonstrated that direct engagement with suppliers through our roundtable discussions was effective in creating trusted relationships where findings of potential modern slavery risk can be shared with Metcash

### 6.3 Our key internal stakeholders

An internal evaluation of our modern slavery risk management processes with key internal stakeholders (procurement and merchandising teams) resulted in the following key learnings and improvement opportunities:

- Reaching the right contact within a supplier's business, while often difficult, is critical for ensuring the appropriate quality and timeliness of response
- There have been no cases of modern slavery reported through the 'Speak Up' policy and Hotline to date. We expect greater use of this mechanism as its awareness increases throughout the supply chain and it becomes trusted as a grievance mechanism
- Feedback on training provided to our retailers indicates that while it was considered very useful, there is strong demand for further training given the level of complexity in some areas
- Modern slavery remains a new concept for many in the supply chain, and many suppliers' risk management systems and due diligence processes are lacking maturity. More formalised internal processes or evaluation process with third-party audits are needed

## 7 Summary and priorities for FY22

While still being early in our journey of minimising the risk of modern slavery in our supply chain and operations, we have made good progress with the implementation of our mitigation plan, including areas such as governance, supplier risk assessment and onboarding, supplier engagement, staff education, remediation and reporting. We have also sought to liaise and collaborate with others where possible and as appropriate to help achieve the ultimate common aim of protecting human rights and eliminating instance of modern slavery in our supply chains and operations. Our priorities for FY22 include:

- Undertaking analysis of how best to ensure the 'Speak Up' policy is communicated further into the supply chain (beyond the first tier)
- Ensuring that our Anti-Slavery policy is understood by our suppliers' suppliers, including communicating it in local languages if required
- Undertaking a review of other industry initiatives we would consider joining (e.g. taskforces/certifications/NGO support)
- Continuing to target industries of focus for ongoing modern slavery mitigation and gaining further transparency of our supply chains, particularly in Australian horticulture and agriculture
- Continuing to educate our employees, retailers and suppliers through uptake of the online Modern Slavery training module and conduct further capacity building workshops for our merchandise and procurement teams
- Undertaking a review of our modern slavery supplier risk ratings
- Continuing to progress follow-up work associated with the SAQs provided to suppliers identified as being high-risk



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[www.metcash.com](http://www.metcash.com)