

Shaver Shop Group Limited

Modern Slavery Statement For the year ended 30 June 2023



1 About us

This modern slavery statement is made pursuant to the *Modern Slavery Act 2018* (Cth), and sets out the actions taken by Shaver Shop Group Limited (ACN 150 747 649) and our subsidiaries (**SSGL, Shaver Shop, Company, we, us or our**) to assess and address modern slavery risks in our operations and supply chains for the financial year ended 30 June 2023. Our company is an Australian and New Zealand speciality retailer of male and female personal grooming products and aspires to be the market leader in personal care and grooming solutions for men and women across Australia and New Zealand. We pride ourselves on having the best product knowledge in our core categories of any retailer in the world which in turn enables us to deliver exceptional service to our customers.

Shaver Shop was founded in 1986 in Melbourne and retains its national support office in this city. As at 30 June 2023, we operated 122 Shaver Shop stores across Australia and New Zealand. All of Shaver Shop's stores are wholly corporate-owned and operated, which supports our aim to have consistency in values, policies and procedures across all our sites. We offer customers a wide range of quality brands at competitive prices, supported by excellent staff product knowledge and customer service. The Company's specialist knowledge and strong track record in the personal care and grooming segments have enabled it, over time, to develop strong supplier relationships and negotiate exclusive access to new product innovation in Australia.

Shaver Shop primarily sources products from major manufacturers who seek to create functional and innovative products to meet customer's needs and wants in the hair removal and personal care product categories. The Company's core range includes male and female hair removal products such as electric shavers, clippers and trimmers, long term hair removal solutions for women and men as well as wet shave items. Complementary to its core product range, Shaver Shop retails various products across the oral care, hair care, massage, air treatment, and female beauty categories and has been able to garner meaningful market share in a number of these categories.

Shaver Shop has been servicing the wants and needs of customers for more than 35 years. We have cultivated a business that is passionate about providing customers with the right advice for their individual requirements, at the right price.

Governance structure

Shaver Shop's Board and Audit, Risk and Compliance Committee has responsibility for establishing and monitoring a framework of risk management across the Shaver Shop group. The Audit, Risk and Compliance Committee assists the Board in its responsibilities relating to:

- Identifying areas of risk and assessing the effectiveness of Shaver Shop's risk management framework;
- Supporting a prudent risk and risk aware approach to business decisions within the Shaver Shop organisation

The Audit, Risk and Compliance Committee is chaired by an Independent non-executive director and meets at least four times per year.

Shaver Shop has a cross functional working group with representatives from Buying and Merchandising, Human Resources and Finance that is working with external consultants and suppliers to help identify modern slavery risks and implementing our modern slavery compliance activities. During the reporting period, Shaver Shop implemented a specialised third-party software solution to assist with supply chain due diligence for modern slavery risks.

The governance structure supporting Shaver Shop’s approach to managing modern slavery risks within its supply chain are set out below:



Our operations and reporting entities

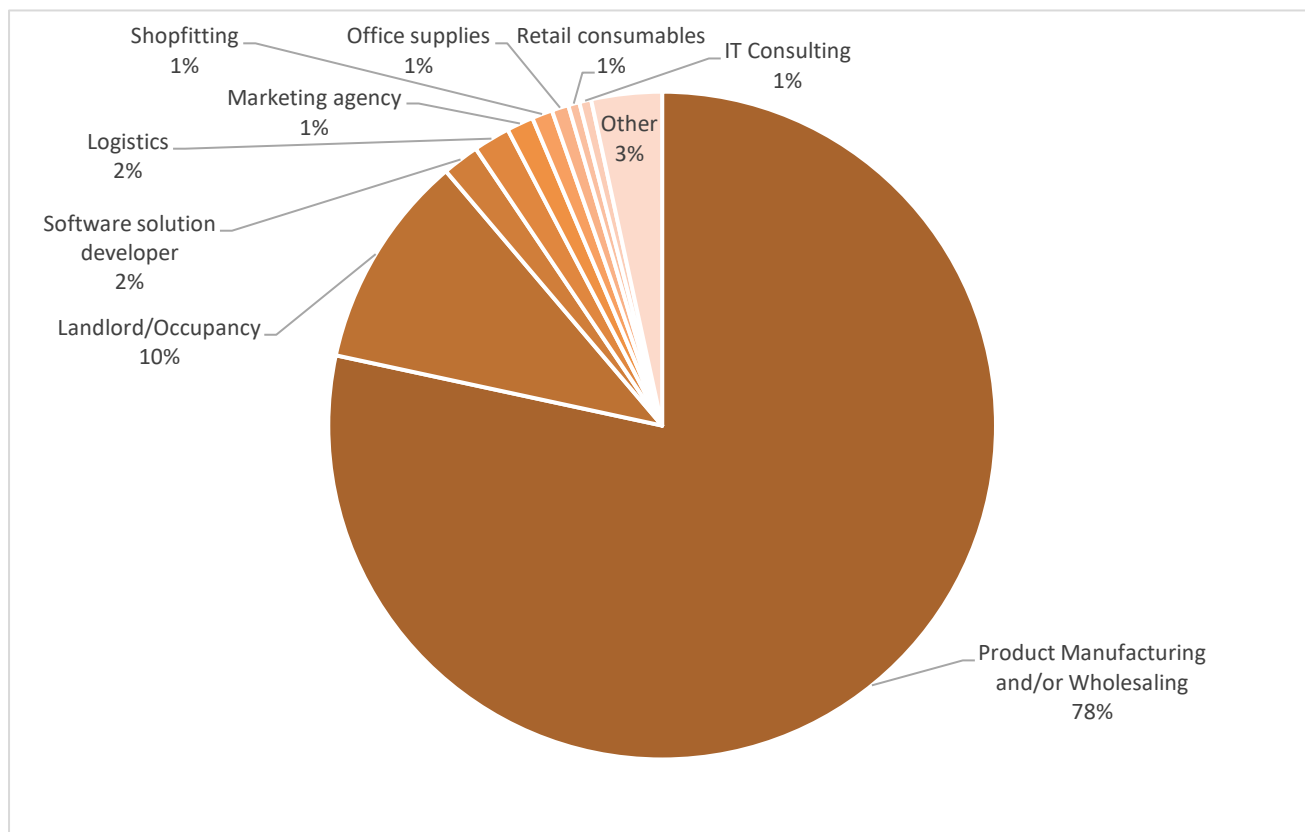
SSGL is a holding company with no operations other than shareholder relations and shareholder management. SSGL wholly owns Lavomer Riah Pty Ltd (**LRPL**) which is also a non-operating holding company. Shaver Shop Pty Ltd (**SSPL**) is wholly owned by LRPL and is the main operating subsidiary in Australia. SSPL is a party to all leases, employs team members in Australia, generates sales and purchases and sells trading stock. Shaver Shop (New Zealand) Limited (**SSNZ**) is wholly owned by SSGL and is the operating subsidiary in New Zealand. SSNZ performs the equivalent functions as SSPL in New Zealand but SSPL provides the supporting office activities such as human resources, compliance, finance, procurement and general management. SSNZ employs approximately 30-40 people. There were no changes in our legal structure or the nature of our operations during the year.

We employ approximately 790 staff, in 122 locations around Australia and New Zealand, including our national support office in Chadstone, Victoria. These staff are employed full time (31% of team members), part time (7% of team members) and on a casual basis (62% of team members). They hold a variety of positions, from staffing our retail premises, to managing stock to head office executive and administrative roles. Our workforce scales up significantly in the lead up to our key trading periods around Black Friday (late November) and through the Christmas and Boxing Day promotions in December with the addition of casual staff to help meet increased customer demand within our stores. In the 2023 financial year, Shaver Shop made payments of approximately \$35.8 million in relation to employment and employment related costs.

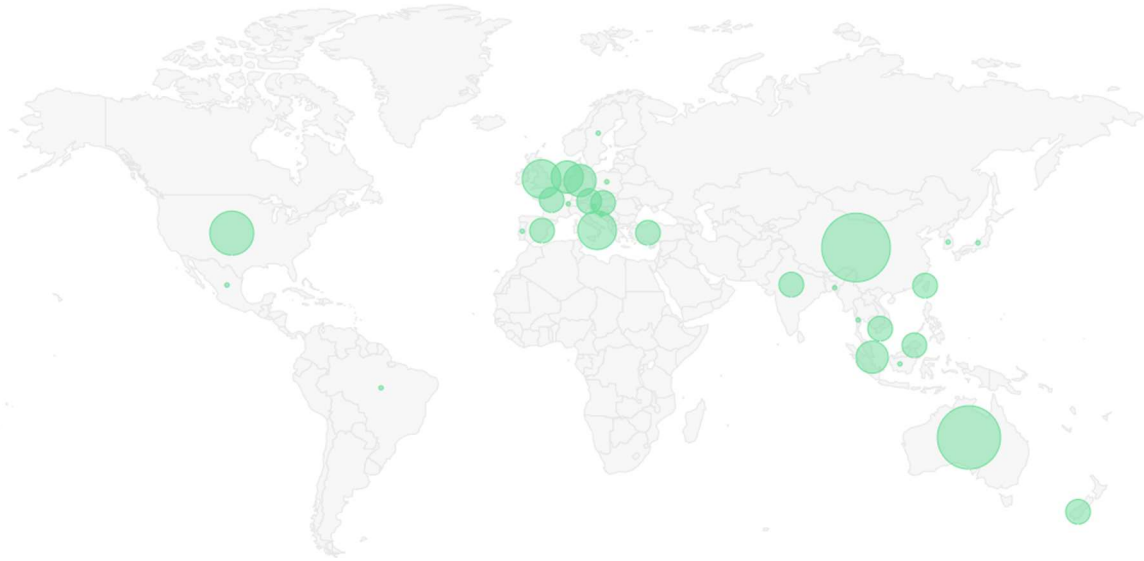
Our primary operations relate to the purchase and resale of personal care and grooming products for men and women. As at 30 June 2023, we operated via 122 retail locations across Australia and New Zealand as well as through our websites (www.shavershop.com.au and www.shavershop.co.nz) and various online marketplaces. Our stores are largely located within large shopping centres. Online orders are generally allocated to the nearest store to the customer’s delivery address and picked, packed and despatched by our retail store team members. We also fulfill online orders from a third-party warehouse facility primarily during peak trading periods in the lead up to Christmas and offer customers the option of buying online and collecting from store (Click & Collect).

Procurement and other corporate and administrative responsibilities for the group are managed centrally at Shaver Shop's national support office. SSNZ procures some products from New Zealand distributors.

Overview of supplier categories



Shaver Shop had approximately 450 active suppliers in the 2023 financial year with approximately \$205 million in total procurement expenditure (excluding employee related costs). The significant majority of Shaver Shop's purchases are for products that Shaver Shop resells through its stores and online with 78% of all purchases related to this category. We have approximately 45 key suppliers from which we source products to resell to our customers. These products are manufactured or assembled in many different countries around the world including: China, Germany, the United Kingdom, the United States of America, Australia and Japan. Based on the completed modern slavery questionnaires for 2023, the geographic footprint of our suppliers is shown below:



Our product suppliers are generally either the subsidiaries of large multinational organisations that develop and manufacture personal care and grooming appliances or licenced distributors for these global companies. For our private label ranges of products, we source from third parties, generally with offices in Australia and New Zealand.

Shaver Shop's second largest category of supply chain expenditure (10% of total expenditure) are lease payments for our retail stores as well as for our national support office. Shaver Shop operates predominantly in large shopping centres in major metropolitan and regional cities across Australia and New Zealand. Shaver Shop's landlords are predominantly divisions of large, publicly listed entities that own and operate a number of shopping centres across Australia and New Zealand.

The remaining 12% of total purchases (excluding employment related expenditure) is spread across freight and logistics providers, marketing agencies and advertising companies, IT, telecommunications and software development companies as well as those businesses that provide Shaver Shop with shop fitting services and retail consumables that are critical for operating our retail stores and offices.

2 The risks of modern slavery in our operations and supply chain

As SSGL and LRPL are holding companies, there are inherently lower modern slavery risks in their operations and supply chains. SSPL and SSNZ operate in the same sector and have many shared suppliers, and therefore, we have provided a single, consolidated description of modern slavery risks in this Part 2.

In seeking to identify the modern slavery risks in our operations and supply chain, we considered the potential for our business to cause, contribute to, or be directly linked to modern slavery. In doing so, we looked at:

- the risk that our operations may directly result in modern slavery practices;
- the risk that our operations and/or actions in our supply chains contribute to modern slavery; and
- the risk that our operations, products or services are connected to modern slavery through the activities of another entity, including business partners.

In our operations

The risk of modern slavery in our workforce remains low. This is largely due to:

- a) our values as a business and our recognition of the importance of our team members in delivering a unique retail experience for our customers
- b) the policies and procedures we have implemented within our company to ensure employee rights are protected
- c) regulations that exist within the retail sector
- d) the contractual rights of our employees, including the freedom to join or not join a union
- e) the payment of casual staff based on clock in and out times and accrual of time in lieu for salaried staff members

Our full-time and part-time staff are paid above the rates outlined in the General Retail Industry Award. Shaver Shop employs all team members directly and does not use labour hire or similar firms. Shaver Shop prides itself on having unparalleled product knowledge in our core categories and providing exceptional customer service. Our team members are therefore Shaver Shop's most important assets. Accordingly, Shaver Shop regularly invests in education and training of our team to ensure we continue to provide the exceptional customer experience we have become known for. In addition to product and sales-based education, our training program includes reviewing Shaver Shop's suite of policies including its:

- a) [Code of Business Ethics](#)
- b) [Diversity Policy](#)
- c) [Whistleblowing Policy](#)
- d) [Anti-bribery and Corruption Policy](#)
- e) [Modern Slavery Policy](#)

The policies support our core values which are:

- a) Customer focus
- b) Drive for results
- c) Accountability
- d) Adaptability

In our supply chain

Shaver Shop's top 10 stock suppliers that make up approximately 65% of its total procurement expenditure (excluding employment related expenditure). While these suppliers are mostly the local subsidiaries of reputable global companies, we recognise that they may have risks of modern slavery in their own supply chains given their size, global presence, and mass variety of product offerings.

In line with the United Nations Guiding Principles on Business and Human Rights, we maintain a risk-based approach in assessing the human rights risks in our supply chain. We are also aware that the consumer electronics industry has an elevated risk level in relation to modern slavery risks. Given our largest suppliers manufacture in many countries around the world, we believe there is a higher inherent risk with these suppliers. The table below describes the inherent modern slavery risks in our main procurement categories. The descriptions are also informed by our review of some of the modern slavery statements published by our suppliers and their modern slavery questionnaire responses.

Sector	Modern slavery risks ¹
Stock	<p>The stock that we supply to customers is our greatest modern slavery risk, including forced labour and debt bondage, by virtue of the utilisation of low skilled labourers in manufacturing facilities as well as in the sourcing of raw materials. This stock is manufactured in a variety of different locations, including China, Germany, United Kingdom, United States, Australia and Japan. Although modern slavery exists in all countries, the risks are heightened in jurisdictions where worker protections are weaker. We understand many of these suppliers source parts or inputs to their products from many other suppliers which are then assembled into a finished product that is sold to Shaver Shop.</p> <p>Because the bulk of our stock purchases are for electrical appliances that are produced in large volumes, there are strict ANZ codes of compliance that our suppliers and Shaver Shop must adhere to in order to meet required safety standards. We understand that the manufacture and/or assembly of these products (in most cases) is a highly automated process using robotics and automation to drive efficiency and consistency.</p> <p>We observed that some of our suppliers that manufacture in lower risk countries are likely to rely on component products sourced from higher risk countries. For example, a US headquartered manufacturer of electronic products described in their modern slavery statement that their suppliers acquire and use minerals including cobalt from multiple sources worldwide. A Japanese headquartered manufacturer of electronic products has approximately 13,000 suppliers worldwide and acquires raw materials from countries such as China and India. An Australian manufacturer of grooming products manufactures all of their products in Australia but it is likely that their raw ingredients including carnauba wax, coconut oil and argan oil are sourced from higher risk countries such as Brazil, Indonesia and Morocco. For our wholesale suppliers, their connection to modern slavery risks are mainly in the finished products that they source from third parties and sell to customers like Shaver Shop and in the shipping and logistics of the products. These examples demonstrate how modern slavery risks may exist further down the supply chain of our direct suppliers.</p>
Premises	<p>Some of our major suppliers are our landlords. They provide us with premises, as well as maintaining common areas and security. We appreciate that the construction, maintenance and cleaning of common areas is exposed to modern slavery risk. Typically, security services are also provided by our landlords, which is also an industry that has been linked to modern slavery. Subcontracting and labour-hire arrangements in the private security industry have been reported in the media as leading to slavery-like conditions for workers.</p> <p>Whilst there is inherent risk with this area of our supply chain, based on the feedback received so far from landlords, many of which are also required to report on their own modern slavery compliance, we have been comforted by their understanding of, and commitment to, addressing modern slavery risks in their businesses and supply chains.</p>
Shopfitting	<p>The supply chain of our supplier of shopfitting services includes construction parts, materials and subcontracted services. There are increased inherent risks in the raw material inputs in construction parts and materials, including steel, stone, timber and flooring products. These risks are heightened where they are sourced from countries with a higher modern slavery risks.</p>
Cleaning	<p>Workers in the cleaning sector do not require qualifications and as such the workforce is often low-skilled and are vulnerable to opaque subcontracting arrangements resulting in exploitation and modern slavery. Workers from migrant populations are vulnerable given their limited understanding of their legal rights and limited understanding of English. As a result, those employed in the cleaning industry, who fall into the aforementioned circumstances, have a restricted ability to bargain with their employers, or those with whom they contract.</p> <p>Whilst there is inherent risk in this industry, Shaver Shop does not generally employ external contractors for cleaning its stores. Shaver Shop employs a cleaning contractor for its National Support Office in Melbourne.</p>
Uniforms and promotional products	<p>There are increased risks of modern slavery in the materials used in the production of uniforms e.g. cotton, and in the manufacturing of garments in factories. Factories for clothing manufacturing have been implicated for non-compliance with employment regulations, laws and standards, and many large clothing companies have been found to have such suppliers in their supply chain.</p>
Transport	<p>Most of the products we sell are manufactured overseas and are primarily delivered to local distributors by ship and by air. Shaver Shop purchases substantially all of the products we sell from these local distributors. We understand that there is a significant risk of modern slavery in shipping, which can involve crew being on board for extensive periods and not being able to leave the ship.</p>

¹ The risks outlined in this table are general and not relate to any actual instances of modern slavery in the supply chain of our first tier suppliers.

	Shaver Shop engages logistics companies to transfer stock between stores within our store network. We also use transportation companies to deliver online orders to our retail customers. Australia Post is our predominant transportation provider for these services and they provide a comprehensive modern slavery statement each year that we have reviewed.
IT equipment and software	Modern slavery risks are present in the supply chains that provide IT companies with the necessary materials to produce electronic goods, and parts of those goods. For example, cobalt is an essential component of rechargeable lithium-ion batteries. More than half of the world's cobalt is mined by the Democratic Republic of Congo, where according to UNICEF, approximately 40,000 miners are children. Another problematic material sourced for IT equipment is mica. India produces 60% of the globe's mica. The most prevalent areas of mica production are in Jharkhand and Bihar where a third of the population in these areas live below the poverty line.

3 Actions taken in the 2023 financial year, including due diligence and remediation processes

SSGL and its subsidiaries use the same policies and processes, and therefore, we have provided a single, consolidated description of actions taken to address modern slavery risks in this Part 3.

Our focus over the last 12 months has been on:

- a) Continuing to gain increased visibility of the modern slavery risks within our supply chain, most particularly with the larger suppliers that we work with. Many of these suppliers have very large and complex supply chains across many geographies that manufacture components that ultimately are assembled into the finished products that we sell to our customers. Shaver Shop's buying and merchandise teams continued to work collaboratively with our suppliers in seeking to better understand the areas of risk within our suppliers' supply chains. Many of the global suppliers present their approach and steps taken to address environment, social and governance risks in their business. We have had ongoing discussions with our suppliers regarding ethical sourcing of products. Shaver Shop continued to provide our Supplier Charter that clearly discloses our expectations in relation to modern slavery risks to new suppliers.
- b) Following a configuration process in 2022, Shaver Shop launched a third-party software solution to assist with categorising our suppliers based on their inherent modern slavery risks and then issued modern slavery questionnaires (MSQ) to those suppliers and contractors to better assess the modern slavery risks within their operations and supply chains. The MSQ contains questions designed to assess the modern slavery risks in a supplier's business. The responses to the MSQ are weighted based on analytics driven by datasets, including the:
 - World Bank Governance Indicators
 - Global Slavery Index
 - US Department of State Trafficking in Persons Report
 - US Department of Labor List of Goods Procured by Child Labor or Forced Labor
 - Transparency International's Corruption Perception Index.

The risk scoring of the MSQ focusses on the:

- Jurisdiction of the supplier's headquarters and operations
- Industry of the supplier
- Products linked to higher risks of child or forced labour

- Workforce demographics to understand the utilisation of potentially vulnerable categories of workers
- Controls (e.g. policies and procedures) to mitigate, assess and address risks

The overall risk rating of low, medium or high is determined by the weighting of each question to ensure that risks are captured accurately.

Over the course of 2023, we issued 37 questionnaires and received 18 responses. Four of the questionnaires are currently in progress and we are following up with the remaining suppliers to ascertain the status of their responses to the questionnaire.

Through using the MSQ, we identified that approximately 60% of those that completed the questionnaire received a moderate risk rating mainly by virtue of the following factors:

- higher inherent industry risk (mainly in manufacturing and those in the wholesale sector);
- operations in countries with a higher prevalence of, and vulnerability to, modern slavery (e.g. India, China, Vietnam, Malaysia, Bangladesh); and
- not having undertaken a human rights impact assessment or having a human rights policy or commitments in place

As described in our first modern slavery statement, Shaver Shop adopted a Code of Business Ethics, Whistleblower Policy, Anti-Bribery and Corruption Policy and Modern Slavery Policy. These policies, together with Shaver Shop's values continue to set the minimum standards Shaver Shop expects from its employees and suppliers. In 2021, Shaver Shop adopted and rolled out our Environmental and Social Governance Policy which provides a framework within which Shaver Shop's employees, suppliers and contractors are expected to operate. Shaver Shop has continued to ensure our team members (through annual training) and our stakeholders (through ongoing dialogue and where applicable responding to our Modern Slavery Questionnaires) are aware of our expectations for environmental and social governance.

The multi-departmental working group that Shaver Shop created to assist in managing modern slavery and other ethical sourcing risks includes representatives from Buying and Merchandising, Finance and Accounting and Human Resources. Members of this group continued to meet during the reporting period to discuss the progress that was made with suppliers to identify areas of risk, configure the new software solution and create a more formal process for performing further investigation into areas of heightened concern. Training is also undertaken by our store teams every year to ensure compliance with our current policies and procedures for the group.

As noted in our Modern Slavery Policy, any concerns relating to modern slavery risks in our operations or the operations of our business partners must be reported through the same internal communication channels established under our Whistleblowing Policy. Current and former contractors, suppliers and agents are permitted to make a disclosure under our Whistleblowing Policy. We expect and encourage anyone involved with our business to report known or suspected violations of our Modern Slavery Policy and applicable laws, regulations, policies and ethical standards related to modern slavery. Retaliation for raising these concerns is strictly prohibited.

Where our business is found to have caused or contributed to modern slavery, we would take guidance from the United Nations Guiding Principles on Business and Human Rights (UNGPs) to ensure the safety and wellbeing of the victim, provide remedy and ensure that a root cause analysis is undertaken to prevent it from occurring again. Where our business becomes directly linked to modern slavery via the conduct of our business partners, we would seek to prevent and mitigate the impact. The appropriate steps that we take may depend on our leverage, the availability of alternate vendors, the significance of the contractual relationship, the severity and consequence of termination.

4 How we assess the effectiveness of our actions

As noted in our previous modern slavery statements, we seek to assess the effectiveness of our actions by tracking our progress against goals that we set for ourselves year to year. Our work with suppliers to raise awareness of modern slavery is ongoing and we continue to incorporate modern slavery terms and conditions into new and existing supplier contracts.

During the course of the next reporting period, continue to send out the supplier questionnaire to an expanded cohort of suppliers and assess the responses that we receive. As part of this process, we will continue to monitor supplier acceptance of our Supplier Charter.

We will work to continue incorporating modern slavery terms and conditions into new and existing supplier contracts and ensure all new suppliers are aware of and agree to comply with our Supplier Charter. Where we identify a supplier with a heightened modern slavery risk profile, we will work to verify the supplier's compliance with modern slavery terms and Supplier Charter.

The modern slavery working group will review our progress against our modern slavery plans at least annually and provide an update to the Board on our progress in addressing inherent or actual modern risks in our business.

We will also review, at least annually, our grievance mechanisms (including any whistleblower reports) to identify whether any of the reports reflect modern slavery incidents or risks.

5 Consultation with any entities owned or controlled

During the reporting period, we consulted with our subsidiaries via the modern slavery working group which comprises individuals working across all of our business, including within our operating subsidiaries. They all contributed to our modern slavery project and to the development of this statement.

This statement was approved by the Board of SSGL on 22 December 2023.

Signed

Cameron Fox
CEO and Managing Director
22 December 2023

Modern Slavery Act 2018 (Cth) – Statement Annexure

Mandatory criteria	Page number/s
1. Identify the reporting entity.	1-3
2. Describe the reporting entity's structure, operations and supply chains	3-5
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	5-8
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	8-9
5. Describe how the reporting entity assesses the effectiveness of these actions	9-10
6. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	10