



## Modern Slavery Statement financial year 2021-2022

This statement is made pursuant to the *Australian Modern Slavery Act 2018* (Cth) (**the Act**) in respect to the period 1 July 2021 to 30 June 2022.

### 1. Reporting entity

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

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

#### **Structure**

Retail Zoo is a casual food and beverage franchisor and operator with a portfolio of four distinct brands across more than 380 franchise stores and 60 company-owned stores in Australia as at 30 June 2022. Retail Zoo's brands are Boost, Betty's Burgers, CIBO Espresso and Salsas. In addition to its operations in Australia, Retail Zoo has an international presence as a master franchisor of the Boost brand and system to master franchisees operating more than 270 stores in 13 territories as at 30 June 2022.

#### **Operations and supply chains**

Retail Zoo is headquartered at its Support Centre in Clayton, Victoria. As at 30 June 2022, Retail Zoo directly employed approximately 130 employees at its Support Centre and approximately 2500 employees within its company-owned stores.

Retail Zoo's franchisees in Australia are estimated to directly employ approximately 5000 people, and its master franchisees outside of Australia (or their sub-franchisees) are estimated to directly employ approximately 2950 people.

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

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

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

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



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

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

#### **Operations**

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

For the same reasons outlined in Retail Zoo's modern slavery statement for the past financial years 2020 and 2021 (**Previous Statements**), it remains Retail Zoo's assessment for this reporting period that it is a low risk that modern slavery exists within its own workforce, or within the workforce of its Australian franchisees.

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

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

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

- expanded its internal training on modern slavery to employees in Retail Zoo's Support Centre, to assist them in understanding the concept of modern slavery, recognising modern slavery risks and the process of handling a modern slavery complaint or escalating a concern if one does arise;
- introduced a modern slavery policy approved by Retail Zoo's board of directors, which established a process and procedure to address modern slavery concerns, and also details Retail Zoo's expectations in respect to suppliers managing modern slavery risks within their own supply chains and operations (**Modern Slavery Policy**);
- established a modern slavery committee (**MSC**) which includes a representative of each internal division of Retail Zoo, who met regularly (at least once every quarter) to specifically assess and address modern slavery risks within Retail Zoo's operations and supply chains. The MSC reports to Retail Zoo's Audit and Risk Committee, which then directly reports to Retail Zoo's executive team and board of directors;
- improved its ability to map its supply chain and operations to gain further visibility over its contractors or service providers by continuing to invite its suppliers to join SEDEX, and encouraging those that did join to complete



their SAQ questions; and

- continued to ensure that any new contract considered relevant by key management contained Retail Zoo's anti-slavery clause, which specifically addresses and sets out Retail Zoo's expectations in respect to adhering to anti-slavery laws and refers to Retail Zoo's Modern Slavery Policy.

### ***Supply chain***

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

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

- apparel (such as uniforms), electronics (such as computers and mobile telephones), coffee beans and produce from fruit farms. These goods are either located in, or sourced from, countries or regions that are estimated to have a higher prevalence for modern slavery (as identified in the 2018 Global Slavery index) or have in the past been criticised for modern slavery practices;
- in the second and third tier of Retail Zoo's supply chain such as in respect to the production, processing, packaging and transport of goods;
- suppliers used by master franchisees (or their sub-franchisees); and
- unapproved suppliers engaged by franchisees.

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

In this reporting period, Retail Zoo:

- continued using SEDEX to assess the modern slavery risks that may exist in its Nominated Region Suppliers and Nominated Goods Suppliers (as defined in the Previous Statements), and to obtain further visibility over its suppliers and their second and third tier supply chains;
- procured a SMETA audit on one of its national suppliers which had scored a "medium risk" on its SAQ on SEDEX;
- continued to update further contracts (such as supply agreements provided by new suppliers) with a clause which specifically addresses and sets out Retail Zoo's expectations in respect to adhering to anti-slavery laws;
- introduced a Modern Slavery Policy;
- established the MSC; and
- provided further education to Retail Zoo's Support Centre employees, in an effort to ensure each employee



understands modern slavery, and Retail Zoo's expectations in an effort to mitigate modern slavery risk.

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

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

Even though Retail Zoo was unable to conduct an independent audit of its suppliers situated overseas as discussed in the Previous Statements, Retail Zoo engaged independent auditors to conduct a SMETA audit on one of its national suppliers which had scored a "medium risk" on its SAQ on SEDEX. The SMETA audit revealed some OH&S risks (not related to modern slavery), which Retail Zoo is now in the process of discussing with the relevant supplier.

As per Previous Statements, Retail Zoo remained mindful of the potential increased modern slavery risks of suddenly terminating supplier contracts.

#### 5. Effectiveness of Retail Zoo's actions

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

- provided management with a greater insight of Retail Zoo's supply chain and operations;
- provided an opportunity for Retail Zoo to communicate its expectations to its suppliers and master franchisees in respect to assessing and reducing modern slavery risks within their supply chains;
- educated and trained Retail Zoo's managers, key personnel and Support Centre employees on recognising and addressing modern slavery risks in their day-to-day management;
- improved a number of internal processes, in an effort to gain further visibility across Retail Zoo's supply chains, including 2<sup>nd</sup> and 3<sup>rd</sup> tier supply chains; and
- improved a number of processes, in an effort to further mitigate modern slavery risks within Retail Zoo's operations and supply chain.

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

Action	Progress
Focus on connecting and onboarding its major suppliers on SEDEX, with an aim to conduct an audit through SEDEX (also known as SMETA) on the main suppliers that are recognised as high risk.	The MSC reviewed Retail Zoo's list of suppliers and established that for this reporting period the MSC would focus its efforts on 92 of Retail Zoo's main suppliers ( <b>FY22 Supplier List</b> ). As a result of this effort, Retail Zoo invited approximately 50% of the FY22 Supplier List to join SEDEX, and reminded each of them of Retail Zoo's expectations in respect to modern slavery. 17% of those



Action	Progress
	<p>invited to SEDEX accepted, and have since shared their SAQ on SEDEX with Retail Zoo.</p> <p>Retail Zoo did not limit its efforts to the FY22 Supplier List. In addition, the MSC's representatives invited other suppliers (including new suppliers) to join SEDEX when the opportunity arose, such as when a new contract was considered between the parties.</p> <p>As part of Retail Zoo's process of onboarding suppliers to SEDEX, Retail Zoo reviewed audits shared on SEDEX in respect to each supplier. This led to Retail Zoo procuring its first SMETA audit on one of its suppliers. The SMETA audit revealed some OH&amp;S risks (not related to modern slavery), which Retail Zoo is now in the process of discussing with the relevant supplier.</p>
<p>Further map Retail Zoo's supply chain using questionnaire responses from its master franchisees and the SAQ submitted by its suppliers on SEDEX.</p>	<p>By gaining access to a supplier's SAQ answers on SEDEX, as well as audit results made available via SEDEX, Retail Zoo was able to further map and assess the risks associated with its supply chains.</p>
<p>Extend its modern slavery training to all of Retail Zoo's employees and franchisees, in an effort to improve supplier due diligence across minor suppliers that may have a more prevalent inherent modern slavery risks.</p>	<p>Retail Zoo extended modern slavery training to all Support Centre employees. As at 30 June 2022, 59.1% of Retail Zoo's Support Centre employees had completed the training.</p>
<p>Establish a modern slavery policy which operates in conjunction with other Retail Zoo policies, but mainly to provide a consistent process of assessing and addressing modern slavery risks within Retail Zoo's supply chains and operations.</p>	<p>Retail Zoo established a Modern Slavery Policy, which was approved by Retail Zoo's board. This policy has been shared with employees and suppliers. Retail Zoo desires that any new contract entered with a supplier refers to this policy, and requires Retail Zoo's suppliers to adhere to it.</p>
<p>Establish a modern slavery committee encompassing personnel from across Retail Zoo's teams to assist in promoting and developing Retail Zoo's modern slavery policy and procedures, and addressing any modern slavery concerns or complaints that may arise.</p>	<p>Retail Zoo established the MSC, which includes personnel from each division in Retail Zoo, including Procurement, Design and Development, IT, Marketing, Legal, and International Business.</p> <p>The MSC has guided Retail Zoo on assessing and addressing modern slavery risks or concerns in Retail Zoo's supply chains and operations.</p>



Action	Progress
Audit some of Retail Zoo's Nominated Region Suppliers and Nominated Goods Suppliers which are situated in Australia, subject to current laws and restrictions relating to COVID-19	As Retail Zoo proceeded to invite or connect with its suppliers on SEDEX, Retail Zoo was able to gain further visibility over its suppliers, including obtaining copies of audits which were conducted on some of its suppliers or seeking an audit to be made based on SAQ answers.

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

- continue focusing on connecting and onboarding its major suppliers on SEDEX and as more of Retail Zoo's suppliers complete their SAQ on SEDEX, Retail Zoo will continue to assess their responses and whether a SMETA audit may be necessary to gain further visibility of any modern slavery risks;
- further map its supply chain using questionnaire responses from its master franchisees and the SAQ submitted by its suppliers on SEDEX;
- focus on obtaining 100% completion rate in respect to the training of its Support Centre employees and consider extending its modern slavery training to Retail Zoo's franchisees, in an effort to address any modern slavery risks inherent in their operations or supply chains;
- ensure that its MSC meets quarterly to assess, address and promote Retail Zoo's expectations in managing modern slavery risks; and
- consider auditing some of Retail Zoo's Nominated Region Suppliers and Nominated Goods Suppliers which are situated in Australia and overseas.

## 6. Related entities

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

This statement was approved by the Retail Zoo Board of Directors on 22 December 2022.

A handwritten signature in black ink, appearing to read "Nishad Alani".

Nishad Alani  
**Director**  
**Retail Zoo Holdings Pty Ltd**