

2020 MODERN SLAVERY STATEMENT



Super Retail Group



Inspiring you to live your passion



Contents

3	Introduction
5	Message from Our CEO
6	Our Business and Supply Chain
6	Our Structure
7	Super Retail Group at a Glance
9	Governance
10	Policy Framework
12	Risk Identification & Assessment of Modern Slavery
13	Operations
15	Supply Chain
18	Monitoring of Risk Mitigation (Including Controls) and Remediation
27	Capability Building
28	Effectiveness
30	Continuous Improvement - Future Focus Areas
31	Appendix 1 – Glossary
32	Appendix 2 – Reporting Entities
33	Appendix 3 – Location of Information Required by the Act

ABOUT THIS STATEMENT

Super Retail Group Limited (ACN: 108 676 204) (Super Retail Group, SRG or the Company) is an Australian public company listed on the Australian Securities Exchange (ASX: SUL), with its registered office at 6 Coulthards Avenue, Strathpine, Qld, 4500, Australia.

This is Super Retail Group's first Modern Slavery Statement pursuant to the *Modern Slavery Act (Cth) 2018* for the financial year ended 30 June 2020. Super Retail Group makes this joint Statement on behalf of itself and the Group (including all Reporting Entities). This Statement describes the process and actions the Group takes to identify, assess and address the risks of modern slavery across its Operations and Supply Chain.

This Statement was approved by the Board of Super Retail Group on 22 March 2021.

*Note: Capitalised terms used in this Statement are defined in the Glossary in **Appendix 1**.*

Introduction

Super Retail Group is committed to upholding human rights and fair working conditions for all our Team Members, Trade Partners and Service Providers.

In our Supply Chain, we address modern slavery risk as part of our broader Responsible Sourcing Program which requires our Team Members and Trade Partners to:

- source products in a sustainable and responsible way;
- respect human rights and fair working conditions; and
- reduce our environmental impact in the sourcing process.

The Program, depicted in the following diagram, comprises five key, central elements:

- risk identification and assessment;
- monitoring of risk mitigation (including controls) and remediation;
- capability building;
- measurement of effectiveness of the Program; and
- continuous improvement.

These elements are represented through, and documented in, our [Responsible Sourcing Policy](#), [Responsible Sourcing Code](#) and Responsible Sourcing Procedures, supported by the following Group codes and policies:

- [Code of Conduct](#);
- [Whistleblower Policy](#);
- Managing Young Workers Policy;
- Union Representation and Membership Policy;
- Workplace Resolution Policy; and
- [Anti-corrupt Practices Policy](#).

Each of these policies and codes are described in the 'Governance' section of this Statement.



The Program is consistent with the:

- UN Guiding Principles on Business and Human Rights;
- UN Global Compact (UNGC) core values of human rights, labour standards, the environment and anti-corruption;
- International Bill of Human Rights;
- International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and ILO Conventions; and
- UN Sustainable Development Goals (SDGs) relevant to our Supply Chain.



Message from our CEO

The 2020 financial year will be remembered as a year like no other for Super Retail Group. Natural disasters and the COVID-19 pandemic tested the limits of our Company's resilience. Despite these challenges, we remain committed to our values and our respect for human rights, both locally and internationally, in our Operations and Supply Chain.

It is estimated that more than 40 million people around the world live in slavery, with about 25 million of these in forced labour.¹ Preventing human rights breaches is a complex global issue that requires close collaboration between governments, businesses and the community to resolve.

It is important for all businesses to embrace their responsibility to observe, respect and reinforce human rights by taking steps to identify and address modern slavery and work with Trade Partners to do the same. Our customers, Team Members and investors expect it, but most importantly, it is the right thing to do.

During the reporting period, we continued to identify and address modern slavery risks in our Operations and Supply Chain through our Responsible Sourcing Program. For example, this year:

- following a report by the Australia Strategic Policy Institute on the treatment of the Uyghur minority group in Xinjiang, we initiated a targeted investigation which confirmed that none of our contracted factories, or any factories contracted by our global brand suppliers, are located in the Xinjiang region.
- we extended our Responsible Sourcing Program to our Service Providers; and
- we improved the knowledge of Team Members and Trade Partners in relation to modern slavery risks.

Looking ahead, we will continue to:

- refine our approach to managing the risks of modern slavery; and
- increase transparency as we seek to maintain a sustainable and thriving business that can help improve the lives of vulnerable workers in our Operations and Supply Chain.

Anthony Heraghty
Group Managing Director and
Chief Executive Officer



Super Retail Group is a signatory to the United Nations Global Compact (UNGC) and strongly supports the Ten Principles of the UNGC in the areas of Human Rights, Labour, Environment and Anti-Corruption in its Operations and Supply Chain. We are a member of the Modern Slavery Community of Practice of UNGC Australia Network.

1. Source: [Global Estimates of Modern Slavery](#) report published by the International Labour Office and Walk Free Foundation in 2017.

Our Business and Supply Chain

Super Retail Group is an omni-retail company and the owner of four iconic Brands: Supercheap Auto, rebel, BCF and Macpac. We are one of Australia and New Zealand's largest specialty retailers.

Our powerful four core Brands have established leading positions in growing high-involvement lifestyle categories. We provide our customers a mix of national and international consumer brand products, as well as our own in-house branded products referred to as Private Brand.

Our 13,000 Team Members are committed to inspiring our customers to live their passion. We provide our customers and highly engaged 7.1 million active loyalty club members with the option to experience our Brands whenever and however they choose – whether that's through our network of almost 700 stores or via our digital retailing capabilities.



Our Structure

Super Retail Group Limited is the parent entity of the Group and makes this Statement on behalf of itself and the Group (including all Reporting Entities in Appendix 2). Collectively, these entities undertake retail, product acquisition and distribution, support services and product sourcing activities. For more information regarding the primary activities of the Group's entities, please refer to our [2020 Annual Report](#).

For the reporting period, there were no joint ventures or partially owned entities where the Company was considered to have had a level of control which would require us to include the joint venture entity in this Statement.

Our Responsible Sourcing Program is managed centrally by the Group Sustainability Team on behalf of the Group. The responsible sourcing policies and procedures are set by the Company for all its entities. The Group Sustainability Team regularly consults with the Brands and functions within the Group to confirm that these requirements are implemented. Our consultation process includes face to face meetings, workshops and regular discussions with the teams in the Brands, Group Procurement and Supply Chain to understand risks, agree on mitigation and remedial actions, monitor implementation of remedial work and actions and discuss continuous improvement.

When preparing this Statement, the Group engaged with the Executive Leadership Team, which includes representatives of each Reporting Entity, the Managing Directors of each Brand, the Group's Chief Officers (who are responsible for the corporate functions which support the Brands), and the Board of Directors, for their input and feedback.

The Statement was approved for submission by the Board.

SUPER RETAIL GROUP AT A GLANCE

OUR TEAM

DIRECTLY EMPLOYED TEAM MEMBERS	CONTRACTED TEAM MEMBERS	UNION MEMBERS	COVERED BY ENTERPRISE AGREEMENT
12,987	~170*	~5%	72%

Note: data as at 30 June 2020.

**Approximate number of Team Members in our Distribution Centres contracted through labour hire agencies.*

OUR BUSINESS OPERATIONS

STORES IN TOTAL + ONLINE CHANNELS	SUPERCHEAP AUTO	BCF	rebel
697	326	139	160
MACPAC	SUPPORT OFFICES	DISTRIBUTION CENTRES	COUNTRIES OF OPERATION Australia, NZ, China
72	4	7	3

Note: data as at 30 June 2020.

OUR SUPPLY CHAIN



RETAIL PRODUCT SUPPLY CHAIN

ANNUAL SPEND

\$1.5b

TRADE PARTNERS*

1,000+

PRODUCTS

11,000+

PRIVATE BRAND PRODUCTS**

30%

FACTORIES MANUFACTURING PRIVATE BRAND AND NON-RETAIL BRANDED PRODUCTS

559

**Purchase arrangements with Trade Partners vary between ad-hoc orders (short-term Trade Partners) and regular orders (longer-term Trade Partners). **Based on sales revenue for FY20 reporting period (as at 30 June 2020).*

NON-RETAIL PRODUCTS AND SERVICES

\$593m

ANNUAL SPEND

1,470+

SUPPLIERS

Note: data as at 30 June 2020.

Governance

Super Retail Group has a corporate governance framework underpinned by various policies, procedures and standards, which are subject to approval, or oversight, from the Board and its Committees, the CEO or the Executive Leadership Team.

Our Corporate Governance function, reporting to the Chief Legal Officer and Company Secretary is responsible for our Responsible Sourcing Program. Our Group Sustainability Team (which forms part of the Corporate Governance function) works with our advisory partner ELEVATE, a global business risk and sustainability solutions provider, the Brands and corporate functions to implement the Due Diligence Process for the Program.

Each Brand and corporate function is accountable for addressing any non-compliance with the Responsible Sourcing Program relevant to their Brand or function.

GOVERNANCE STRUCTURE



Policy Framework

The elements of our Responsible Sourcing Program are represented through, and documented in, our [Responsible Sourcing Policy](#), [Responsible Sourcing Code](#) and Responsible Sourcing Procedures, supported by the following codes and policies:

- [Code of Conduct](#);
- Whistleblower Policy;
- Managing Young Workers Policy;
- Union Representation and Membership Policy;
- Workplace Resolution Policy; and
- [Anti-corrupt Practices Policy](#).

These policies and codes work together to articulate our values, ways of working and expectations of our Team, Service Providers and Trade Partners in relation to modern slavery risk.

Policy or Code	Purpose	Element of the Program Supported
Responsible Sourcing Policy*	Provides a high level set of expectations of Team Members and Trade Partners in relation to human rights and the environment.	<ul style="list-style-type: none"> • Monitoring of risk mitigation (including controls) and remediation • Capability building • Effectiveness
Responsible Sourcing Code*	Supports the high level set of expectations in the Responsible Sourcing Policy by providing a more detailed explanation of our expectations of Team Members and Trade Partners.	<ul style="list-style-type: none"> • Monitoring of risk mitigation (including controls) and remediation • Capability building • Effectiveness
Responsible Sourcing Procedures**	Sets out the processes used by the Group to verify compliance with its Responsible Sourcing Policy.	<ul style="list-style-type: none"> • Risk identification and assessment of modern slavery • Monitoring of risk mitigation (including controls) and remediation • Continuous improvement

Code of Conduct*	Sets out the expected standards of behaviour for our daily business activities and to help us to meet our legal and ethical obligations. Also articulates that we expect Trade Partners and suppliers to treat their own workers in a lawful and fair way, including through the provision of safe working conditions, freedom of employment and payment of fair wages.	<ul style="list-style-type: none"> Monitoring of risk mitigation (including controls) and remediation
Anti-corrupt Practices Policy*	Outlines our commitment to recognising, reporting, and upholding laws and regulations relating to bribery and corruption.	<ul style="list-style-type: none"> Monitoring of risk mitigation (including controls) and remediation Capability building Effectiveness
Whistleblower Policy*	Establishes a reporting and investigation mechanism for Team Members, Trade Partners and others to raise concerns about suspected unethical, illegal, or undesirable conduct.	<ul style="list-style-type: none"> Effectiveness Continuous improvement
Workplace Resolution Policy**	Sets out our commitment for resolution of workplace issues in good faith.	<ul style="list-style-type: none"> Risk identification and assessment of modern slavery Monitoring of risk mitigation (including controls) and remediation Continuous improvement
Union Representation and Membership Policy**	Details our commitment to, and support for, freedom of association.	<ul style="list-style-type: none"> Monitoring of risk mitigation (including controls) and remediation Capability building
Managing Young Workers Policy**	Provides safeguards for young workers (under 18 years of age) as they may be more vulnerable to workplace risks due to a lack of experience, awareness or training.	<ul style="list-style-type: none"> Risk identification and assessment of Modern Slavery Statement Monitoring of risk mitigation (including controls) and remediation Capability building

*These policies and Codes are publicly available on our website www.superretailgroup.com.au.

**These are internal policies and documents that are available to Team Members on our intranet.

Risk Identification & Assessment of Modern Slavery

According to the report [Global Estimates of Modern Slavery](#) published by the International Labour Office and Walk Free Foundation in 2017, 40.3 million people were in modern slavery globally in 2016. Of these, 24.9 million people were in forced labour, including 16 million in the private sector. An estimated 15 per cent of this 16 million are engaged in manufacturing activities. While we do not directly engage in manufacturing, we consider it the largest source of our exposure to modern slavery risks as we source products manufactured in countries where modern slavery risks exist.

We regularly conduct risk assessments to inform our Responsible Sourcing Program and priorities. These risk assessments take into consideration a number of factors, such as accountability for the Supply Chain (i.e. Private Brand and Direct Imports), country risk and sector risk.

Our most recent risk assessment identified that the modern slavery risks most relevant to our Operations and Supply Chain are forced labour, debt bondage, deceptive recruitment practices and the worst forms of child labour.

Forced labour	Restrictions of movement, intimidation, threats, including human trafficking
Debt Bondage	Payment of excessive recruitment fees or associated costs, and retention of documents
Deceptive Recruitment	False promise of a job, benefits or conditions
Worst Forms of Child Labour	Where children are engaged in hazardous work

Operations

In relation to our Operations, this year we considered the modern slavery risks within both our direct team and those areas of the business where we use contracted services and labour.

TEAM MEMBERS

Most of our Team Members are employed directly by Super Retail Group. During FY20, we employed 12,987 Team Members, of which 72 per cent were covered by enterprise agreements and the remainder were engaged on individual employment agreements, underpinned by national and local government laws. This lowers modern slavery risks within our direct team. As a result, we have focused our risk assessment on areas of the business that use contracted services and labour, including labour hire firms. By way of example, in our distribution centres, approximately 38% of workers are contractors procured through labour hire firms.

CONTRACTED SERVICES AND LABOUR

Most of our contracted services and labour are in Australia where the overwhelming majority of our retail stores and Distribution Centres are located. While we have operations in New Zealand and China, these are of a significantly smaller scale and, therefore, for FY20, we have focused on identifying the risks related to the services and labour we contract in Australia. As we further embed our Responsible Sourcing Program, we will begin to incorporate risk assessments for contracted services and labour in other countries where we operate.

In identifying risks in Australia, we took into account:

- issues identified in the Australian parliamentary inquiry into modern slavery; and
- relevant cases investigated by the Australian Fair Work Commission in recent years.

Based on this analysis, we identified that service sectors in Australia with the following characteristics present a risk of modern slavery:

- presence of labour brokers;
- prevalence of migrant, overseas or other vulnerable workers;
- multi-layer subcontracting models; and/or
- franchisee business models.

Considering these characteristics, we identified the following contracted services in our Operations as more susceptible to the risk of modern slavery:

- labour hire providers for our distribution centres;
- catalogue distribution;
- cleaning;
- physical security;
- facilities maintenance;
- transport/freight;
- IT services (where overseas workers are employed); and
- offshore services in high-risk countries.

Taking these matters into account, we identified 15 Service Providers across our Operations as high risk. Nine of these 15 Service Providers have been

requested to complete, and have completed, a Due Diligence Assessment. This requires the completion of a self-assessment and self-declaration by the Service Provider. The responses provided in the self-declaration help us assess the risk of modern slavery in relation to the particular Service Provider and the service they provide. If the risk is high, we complete an interview with the Service Provider and examine publicly available documents. Supporting documents such as participation in certification schemes and applicable policies and procedures may also be requested.

Where we consider it necessary, we conduct a Responsible Sourcing Audit, which includes due diligence on forced labour indicators. Of the nine Service Providers which completed a Due Diligence Assessment this year, one – a warehousing and transport service provider in China – was subjected to a Responsible Sourcing Audit.

The requirements for a Due Diligence Assessment are outlined in our Responsible Sourcing Code and Procedures and are reflected in tender documents and business agreements signed since the introduction of our Responsible Sourcing Procedures.

A summary of the nine Service Providers which completed a Due Diligence Assessment and the outcomes are summarised below.

Service Type	Inherent Risk Rating	No. of Assessments in FY20	Outcomes Instances of Modern Slavery Identified
Labour Hire	High	5	0
Warehousing & Transport	High	1	0
Catalogue Distribution	High	1	0
IT Services	High	1	0
Advertising	Low	1	0

Other Service Providers considered high risk, such as cleaning, have committed to complete Due Diligence Assessments in FY21.

Supply Chain

Our Supply Chain risk assessment included both retail products sourced for our stores and online, and non-retail or non-stock products purchased for use in our business. We also identified a specialised risk in our Supply Chain in relation to the acquisition of cotton to support the apparel segments of the Macpac and rebel Brands.

RETAIL PRODUCTS

Our retail products are sourced nationally and internationally and are sold as either branded goods or Private Brand products.

Our approach to assessing the modern slavery risks related to our retail products is based on:

- (1) our connection to the manufacture of the products; and
- (2) the country risk rating for the country in which the product is being manufactured.

Connection to manufacture of the products

We are more closely connected to Private Brand products and direct imports because Trade Partners are manufacturing these products specifically for our stores and online. This gives us a greater degree of visibility and control over these products and the workers who are involved in their manufacture, and a greater ability to identify and prevent modern slavery practices. This is to be contrasted with national and international branded goods where our connection to the source of manufacture is more remote.

Accordingly, like many global retailers, we have identified Private Brand products and Direct Imports as presenting a risk to our Supply Chain that we are able to address and manage more directly. Further information is provided in the section 'Monitoring of Risk Mitigation (Including Controls) and Remediation'.

Country Risk

Our country risk assessment is performed annually and is primarily informed by the [Transparency International's Corruption Perception Index](#). We consider countries with a corruption perception score of less than 70 to have a higher risk of human rights violations, weaker protections for workers, inadequate governance and enforcement of the rule of law. We review our Responsible Sourcing Procedures based on this information. We cross-reference this country risk rating with other credible published reports and data such as the [Global Slavery Index](#) and the [US Department of Labor's List of Goods Produced by Child Labor and Forced Labor](#) to verify that all high-risk countries have been identified.

At the end of FY20, our retail and non-retail products were sourced from 559 factories located across 20 countries. The table below identifies the Country, Country Risk Rating and number of factories in each country for the period ended 30 June 2020. Separately, we are working on transitioning to a trusted partner model with our Trade Partners and factories.

NON-STOCK PRODUCTS

Non-stock products are those sourced for the Group with our corporate branding, such as uniforms and shopping baskets.

Our approach to assessing the modern slavery risks related to our non-stock products is the same as for retail products.

Country, Country Risk Rating and number of factories in each country

Period ended 30 June 2020.

LOW RISK =

countries with Corruption Perception Index score of 70 or greater

	Country Risk Rating	Number of factories manufacturing our Private Brands or directly imported products
Australia	77	30
Netherlands	82	1
New Zealand	87	6

HIGH RISK =

countries with Corruption Perception Index score of less than 70

	Country Risk Rating	Number of factories manufacturing our Private Brands or directly imported products
Cambodia	20	1
China	41	474
Taiwan	65	15
Fiji	<i>No score available</i>	1
Georgia	56	1
Hungary	44	1
India	41	5
Indonesia	40	3
Italy	53	1
Malaysia	53	3
Philippines	34	1
South Africa	44	1
South Korea	59	3
Thailand	36	4
Turkey	39	1
USA	69	1
Vietnam	37	6

Note: data sourced from [2019 Corruption Perception Index](#).

SPECIALISED RISK

In addition to the risks identified above, we have also identified cotton as a key commodity in our Supply Chain with a high risk of forced labour and modern slavery practices. This is because the Xinjiang region in China accounts for about 85 percent of China's cotton production, according to the U.S. Agriculture Department, and about one-fifth of cotton production globally. This region has been linked to child and forced labour, raising supply chain risks in apparel-manufacturing.

Apparel accounts for approximately 70 per cent of our Private Brand product range at Macpac and rebel.

During FY20, Macpac purchased 31,000kg of Fairtrade certified cotton for its T-shirts and hoodies, accounting for 95 per cent of Macpac's total cotton usage. Fairtrade certification audits check for use of forced labour on cotton farms and mills.

We will assess the amount of cotton used in rebel, BCF and Supercheap Auto Private Brand products during FY21 as part of our Responsible Sourcing Program. This will allow us to further assess and mitigate risks of modern slavery in relation to the purchase of this commodity.

Monitoring of Risk Mitigation (Including Controls) and Remediation

Super Retail Group takes a risk-based approach to monitoring and mitigating modern slavery risks. This means the extent of our monitoring and Due Diligence Processes are determined by reference to the size of the risk, assessed by us, and can range from self-assessment and self-declaration to third-party audits.

CONTRACTUAL OBLIGATIONS

From FY20, all new contracts and contract renewals, including our standard General Business Agreement are required to comply with our policies and codes, including our Responsible Sourcing Policy and Code. Older contracts are subject to the same obligations; however, they are more difficult to monitor compliance. A program of work to uplift compliance monitoring across the Group will take place during FY22-25.

As noted above, the Responsible Sourcing Code includes detailed obligations relating to:

- business integrity;
- human rights and fair working conditions;
- environmental management; and
- sustainable sourcing.

In particular, the Code includes the following criteria to support the prevention of forced labour, debt bondage, deceptive recruitment and the worst forms of child labour.

Modern Slavery Risks	Code reference	Relevant Criteria in our Responsible Sourcing Code
Forced Labour	3.1.1	Suppliers shall under no circumstances use, or in any other way benefit from, forced, bonded or prison labour in line with ILO Convention No. 29 on Forced Labour and ILO Convention No. 105 on Abolition of Forced Labour. Where the Supplier is planning to use prison labour under a legal framework, it must notify and seek approval from the Group in writing.
	3.1.5	Suppliers shall not restrict workers freedom of movement.
	3.6.3	Suppliers shall ensure overtime is voluntary, not excessive, not demanded on a regular basis and always compensated at a premium rate.
	3.7.2	Suppliers shall ensure that physical abuse or discipline, the threat of physical abuse, sexual or other harassment, verbal abuse, or other forms of intimidation, are not used.
Debt Bondage	3.1.4	Suppliers shall not require workers to pay recruitment fees, lodge deposits or their identity papers (including passports) with their employer and ensure that workers are free to leave their employment after reasonable notice.
	3.5.3	Suppliers shall ensure deductions from wages as a disciplinary measure or any deductions from wages not permitted by law, does not occur without the expressed permission of the worker concerned. All disciplinary measures should be recorded.
Deceptive Recruitment	3.5.2	Suppliers shall ensure all workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment, and about the particulars of their wages for the pay period concerned each time that they are paid.
	3.5.4	Suppliers shall ensure, to every extent possible, work is performed on the basis of a recognised employment relationship established through national law and practice.
Worst Forms of Child Labour	3.3.1	The use of child labour is strictly prohibited in line with ILO Convention 138 on the Minimum Age, and Convention 182 on the Elimination of the Worst Forms of Child Labour. If children are found to be working directly or indirectly for a Supplier, the Supplier shall seek a sensitive solution that puts the best interest of the child first.
	3.3.2	Suppliers shall comply with the national minimum age for employment or the age of completion of compulsory education and shall not employ any person under the age of 15, whichever of these is higher. However, if local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
	3.3.3	Young workers under 18 years of age must not be employed to work in conditions which harm their physical, mental and emotional development and wellbeing.

Our Responsible Sourcing Procedures require Team Members to include these provisions and a general obligation to comply with our Responsible Sourcing Code in all tender documents and contracts. Where a contract is already in existence, we may require audits or compliance documentation during the term of the contract if a concern is raised. In addition, our standard terms for Purchase Orders include an ongoing obligation to comply with our Responsible Sourcing Code.

VERIFICATION OF COMPLIANCE WITH POLICY AND CODE

Suppliers of our Private Brand products, Direct Imports and non-stock products that display our Brands or their trademarks and are manufactured in high risk countries are required to disclose which factories are being used to manufacture the products. They must also provide details of those factories (such as name, address, factory contact and order value) and audit reports or certification documents for those factories demonstrating compliance with our Responsible Sourcing Policy and Code.

To reduce duplication and audit fatigue, we accept audit reports and certification conducted in accordance with the following globally recognised and independent compliance monitoring and certification schemes:

- Social Accountability International (SA8000);
- Worldwide Responsible Apparel Production (WRAP);
- amfori Business Social Compliance Initiative (BSCI);
- International Council of Toy Industries (ICTI) Ethical Toy Program;
- Responsible Business Alliance (RBA);
- Fair Labour Association (FLA); and
- ILO Better Work Programme.

We also accept Supplier Ethical Data Exchange (Sedex) Members Ethical Trade Audits (SMETA) conducted by accredited auditors, as well as audit reports from major buying companies that have equivalent criteria to our Responsible Sourcing Code.

The factory details and audit report or certification must be provided to the Group Sustainability Team for review before any order is placed with a factory. Factories are then rated as 'Approved', 'Conditionally Approved', 'On Probation' or 'Not Approved'. Each of these ratings are described below.

Rating	Description of Rating	Effect of Rating
Approved	The factory has no critical but some major and minor non-conformances.	<ul style="list-style-type: none"> An order can be placed with the factory.
Conditionally Approved	The factory has some critical non-conformances (excluding child and forced labour) as well as major and minor non-conformances.	<ul style="list-style-type: none"> An order can be placed with the factory. Group Sustainability will issue a Corrective Action Plan to the factory including completion timeframes.
On Probation	<ul style="list-style-type: none"> Status renewal audit for an existing factory identifies repeated critical non-conformances. Conditionally Approved factory that has critical non-conformances overdue by 3 months. Existing 'Conditionally Approved' factory overdue for audit renewal (over 30 days). 	<ul style="list-style-type: none"> Allow existing orders to complete. No new orders until all critical non-conformances are closed out. Re-audit may be required before new orders are placed.
Not Approved	<ul style="list-style-type: none"> New factory (i.e. no current orders) with critical non-conformances relating the use of child and forced labour. 'On Probation' factory that has critical non-conformances overdue by more than 6 months. New factory that has not provided an audit report for evaluation. Existing 'Conditionally Approved' factory overdue for audit renewal (over 60 days). 	<ul style="list-style-type: none"> Orders must not be placed. Audit/Re-audit is required before placing any orders.

Any audit report which contains non-conformances will result in the issue of a Corrective Action Plan to the factory. These plans are discussed further in the 'Remediation' section below. Suppliers of national and international branded products (both retail and non-stock) are not required to disclose their factory details and are not subject to our Responsible Sourcing Audits. However, they are required to comply with our Responsible Sourcing Policy and Code as outlined in our General Business Agreement.

Under our Responsible Sourcing Procedures, Service Providers are required to complete a self-assessment and self-declaration and may be subject to a Responsible Sourcing Audit depending on the outcome of our risk assessment, as described above in the section 'Risk identification and assessment of modern slavery (Operations)'.

PRIVATE BRAND We have greater degree of visibility and control over this Supply Chain*

SUPERCHEAP AUTO	REBEL	BCF	MACPAC
40%	9%	34%	87%

Note: data relates to the approximate percentage of Private Brand products, based on sales revenue, for FY20 reporting period.

*This Supply Chain is subject to our Responsible Sourcing Audit process

RESPONSIBLE SOURCING COMPLIANCE STATUS – FY20

FACTORIES*

FACTORIES APPROVED	CONDITIONALLY APPROVED	ON PROBATION
524	11	24

*Factories are assessed for compliance with our Responsible Sourcing Policy and Code through our Audit program. Once an audit report is received, a Corrective Action Plan is prepared to address identified non-conformances and a status is assigned: Approved relates to factories with no critical non-conformances. Conditionally Approved relates to factories with Corrective Action Plans in place. On Probation relates to factories with overdue corrective actions. Number of factories relate to our Private Brand products, direct imports and licensed brands that the Group is responsible for manufacturing.

Key areas of improvement identified in factory audits related to health and safety, working hours and social insurance. We have agreed corrective action plans with factories to improve these issues.

DUE DILIGENCE ASSESSMENTS | SERVICE PROVIDERS – FY20

Service Type	No.	Due Diligence Type
Labour Hire	5	StaffSure* Certification (1), Self-declaration & interview (4)
Warehousing & Transport	1	Audit
Catalogue distribution	1	Self-declaration & interview
IT services	1	Self-declaration & interview
Advertising	1	Self-declaration

*StaffSure certification checks business integrity elements such as workers remuneration, safety and treatment of migrant workers/ visa conditions.

REMEDIATION

Where non-conformance with our Responsible Sourcing Code is identified in our audits, we work closely with our Trade Partners and factories to remediate the non-conformance. This includes preparing a Corrective Action Plan and delivering e-learning modules through our partner, ELEVATE, to build capability within our contracted factories.

Trade Partners and factories are required to remediate issues identified in Corrective Action Plans within an appropriate timeframe, depending on the nature and severity of the non-conformance. Factories can only be approved once all critical non-conformances have been addressed. Critical non-conformances are those that present significant legal breaches and serious risk to the environment or workers' safety and rights. Examples include, non-payment of workers' minimum wages and overtime hours, providing an unsafe workplace, and inappropriate management of waste, water and air pollution.

Most non-conformances can be closed with photographic evidence or provision of electronic copies of documents, records and plans. However, an on-site assessment may be required to verify certain corrective actions before the non-conformances can be closed. During COVID-19 we granted time extensions to assist Trade Partners and factories with the completion of audits and corrective actions.

Factories are required to renew their audit reports biennially based on the date of their last approved audit. Factories which do not complete the audit on time have their rating downgraded, which impacts the ability of our Brands to order products from those factories.

IN FY20, TWO CRITICAL BREACHES OF OUR REQUIREMENTS WERE IDENTIFIED IN TWO SUPPLIER FACTORIES IN CHINA

	Criteria in our Responsible Sourcing Code	Country & Product Category	Issues identified in audit	Remediation
Recruitment fees	3.1.4 – Suppliers shall not require workers to pay recruitment fees, lodge deposits or their identity papers (including passports) with their employer and ensure that workers are free to leave their employment after reasonable notice	China Tools	The supplier was using a labour broker that charged recruitment fees to migrant workers	The supplier refused to rectify the issue and we decided to end our relationship with this supplier
Disciplinary Practices	3.5.3 – Suppliers will ensure that deductions from wages as a disciplinary measure or any deductions from wages not permitted by law, does not occur without the expressed permission of the worker concerned. All disciplinary measures should be recorded	China Communication devices	The supplier: <ul style="list-style-type: none"> • had disciplinary policies requiring workers to provide a minimum of six-month notice • imposed forced overtime • deducted worker's pay if the worker did not comply 	The supplier was made aware of the seriousness of these practices and agreed to terminate these policies immediately

Targeted investigation on forced labour in China

In February 2020, the Australian Strategic Policy Institute published a [report](#) about the Chinese government's treatment of Uyghur minority group in Xinjiang Uyghur Autonomous Region. The report claimed that the Chinese government was rounding up Uyghur minority people and forcing them to work in cotton farms and factories in the supply chains of at least 83 well-known global brands.

Whilst none of our Brands were named in the report, we completed a targeted investigation, including:

- checking all our current active Private Brand factories;
- seeking advice from specialist advisors about potential investment/ownership links between factories on our list and Xinjiang based entities; and
- seeking clarification from four global brands suppliers regarding sourcing from Xinjiang and their due diligence processes.

Our investigations revealed that:

- none of our contracted factories, or any factories contracted by our global brand suppliers are located in the Xinjiang region; and
- one factory may have links to Xinjiang parent companies. We are currently working with our specialist advisors to confirm this information and conduct further targeted assessments of migrant workers in this factory.

We were unable to confirm if cotton from the Xinjiang region is used in mills

that supply yarn/ cotton to some of our factories as we have limited visibility of supply chain beyond first-tier suppliers (i.e. factories supplying our finished goods), with the exception of Macpac factories. We believe that it is important for us to conduct further checks, and are currently developing a process, as part of our Responsible Sourcing Program, to obtain disclosure from first-tier suppliers regarding their cotton suppliers/ fabric mills to improve traceability.

Other due diligence actions included:

- continuing Responsible Sourcing Audits, which incorporate an assessment of forced labour for all first-tier factories in China supplying our Private Brand products;
- use of Fairtrade certified cotton in Macpac's supply chain to reduce the risk of forced labour. In FY20, 95 per cent of cotton used in Macpac's T-shirts and hoodies was Fairtrade certified.* We are currently investigating the opportunity to adopt Fairtrade certified cotton or an equivalent certification in rebel's supply chain; and
- instructing our team not to source products from Xinjiang region.

We will continue to monitor this issue closely during FY21.

**Fairtrade certification audits check for use of forced labour on cotton farms and mills.*

Responding to COVID-19

We recognise COVID-19 has increased the vulnerability of our Team Members and workers in our Supply Chain and have taken several measures to protect them as part of our broader response to the pandemic.

SAFETY OF OUR TEAM MEMBERS

We strictly adhered to the advice and guidance of governments and health authorities across Australia, New Zealand and China and invested in measures to help make our work environments a safer place to work. These included enhanced cleaning products and practices, hand sanitiser stations, physical distancing, floor decals and posters, health screens at front counters, face masks, temperature checking options, remote working, restricted travel, incident response procedures and wellbeing support programs.

SUPPORTING OUR TRADE PARTNERS

We also supported our Trade Partners in China during the Coronavirus pandemic by:

- honouring orders to assist workers' wages;
- offering free webinars through our strategic partner, ELEVATE, to help factory managers promote wellness to their workers; and
- extending timeframes for completion of audits and corrective actions.

In addition, Macpac supported its Trade Partners by:

- deploying surveys to understand the impact of COVID-19 on them and, in particular, the impact of cancelled orders on cash flow, immediate pressure points, and what assistance (if any) Macpac could offer to provide relief;
- identifying workers at greatest risk during COVID-19 as well as areas where the pandemic increased risk to workers. As a result, Macpac instituted a Trade Partner Training Program to make industry delivered training on salient risk topics available free of charge;
- maintaining communications to reiterate the importance of proper health and safety precautions; and
- sharing public industry resources.



GRIEVANCE MECHANISM

We have an established [Whistleblower Policy](#) which outlines the protection and support provided by the Group to encourage whistleblowers to raise any concern regarding human rights and modern slavery (in addition to other concerns). In particular, the policy provides that we do not tolerate retaliatory or detrimental treatment of any person making a disclosure. To support this position, the Group has:

- Integrity Officers, whose role includes overseeing the application of the policy and the protection of whistleblowers;
- an Audit and Risk Committee that is provided with quarterly reporting on whistleblowing, and oversees the effectiveness and governance of the whistleblower program; and
- various reporting channels, including post, email, and Whispli, a market-leading online platform that utilises contemporary technology, to facilitate anonymous and confidential reporting.

The policy was last updated and approved by the Board in January 2020 and is publicly available on our Company website. An information pack was sent to Trade Partners explaining the new Policy and promoting our grievance mechanisms to external parties.

Eligible Recipients of whistleblower reports, such as senior managers, were also required to complete training following the launch of the updated policy.

No issues related to modern slavery were reported through our reporting channels during FY20.

While Responsible Sourcing Audits include grievance mechanism checkpoints, we are currently investigating opportunities with our advisory partner ELEVATE to deploy a more targeted worker voice approach to factory workers manufacturing our Private Brand products.

Capability Building

TRADE PARTNERS

A [video](#) in English and Mandarin is available on our Company website explaining our Responsible Sourcing Program step-by-step for our Trade Partners. We have also partnered with ELEVATE to deliver e-learning modules to help improve capability in our Supply Chain.

Module topics include health and safety, working hours, managing wages, ethical sourcing and supply chain monitoring.

During FY20, 172 factories completed e-learning modules as part of their Corrective Action Plans.

TEAM MEMBERS

Our Team Members have an important role in helping our Trade Partners, Service Providers and contracted factories meet the Group's standards. In this context, we provide ongoing training to increase Team Members' understanding of their legal and ethical responsibilities to deliver improved outcomes throughout Operations and the Supply Chain.

Following the launch of the revised Responsible Sourcing Program in FY19, we delivered a series of training sessions for 34 Team Members across our Merchandising, International Operations, Group Procurement, Legal and Compliance departments.

Our Group Sustainability team also engages with the Brands and corporate functions on a regular basis to reinforce our Responsible Sourcing requirements, answer questions and resolve any issues that may arise with Trade Partners, factories and Service Providers.

We communicate the status of our Responsible Sourcing Program through regular reports to the Brands and corporate functions and monthly reports to the Board and the Executive Leadership Team.

Effectiveness

We measure the effectiveness of our actions to assess and address modern slavery risks in several ways, including:

- **Audit Metrics** – we measure the total number of factories audited under our Responsible Sourcing Procedures, the number and nature of breaches and the speed of remediation and improvement. This provides one tool to assess the effectiveness of our actions to address modern slavery risk. At the end of FY20, we had 559 active factories in 20 countries (covering both our retail and non-retail products). Based on our risk rating, 516 factories were subject to verification audits, with 98 per cent of these factories audited in the past two years. During FY20, we added 105 new factories, all of which were screened for responsible sourcing. Nine factories did not satisfy our requirements and were not approved. Key areas of improvement identified in audits related to health and safety, working hours and mandated social insurance (i.e. health, injury, etc.). As the Program matures, we will be able to observe and react to trends identified.
- **Corrective Action Plans** – as noted above, factories are required to renew their audit reports biennially based on the date of their last approved audit. This provides us with a regular, scheduled checkpoint to assess compliance with our Policy and Code, including the effectiveness our Corrective Action Plans, particularly when recurring non-conformances are identified.
- **Capability Building** – when factories receive a Corrective Action Plan, they are required to complete e-learning modules on topics related to the identified non-conformance to build capability and understanding. During FY20, 172 factories completed e-learning modules as part of their Corrective Action Plans. Overdue and/or outstanding actions are reported regularly to responsible Brands and corporate functions and monthly to the relevant member of the Executive Leadership Team.
- **Training & awareness** – we deliver regular and targeted training to Brands and corporate functions covering modern slavery and responsible sourcing topics. These training sessions provides us an opportunity to check Team Members’ understanding and the effectiveness of our Program. During FY20, refresher training was delivered to 56 relevant Team Members.

- **Feedback** – we engage with our Team Members, Trade Partners and Service Providers and external advisor ELEVATE on a regular basis to seek feedback and opportunities for improvement. During the reporting period, we completed a high-level review of our Program. While the overall feedback was positive, opportunities such as additional training for Service Providers and improved traceability of products to factories were identified. As a result, we have delivered additional training to our Group Procurement team, obtained further product information from Trade Partners and reviewed our Responsible Sourcing Procedures.
- **Grievance Mechanism** – we provide various reporting channels, including post, email, and Whispli, a market-leading online platform that utilises contemporary technology, to facilitate anonymous and confidential reporting. Such reports are an important measure of the effectiveness of our Program.

No issues related to modern slavery were reported through our reporting channels during FY20. We have noted, however, that no reports were received from China generally (on any topic) and, accordingly, we are investigating alternative mechanisms for our China Team Members, Trade Partners and factories. In particular, we are working with ELEVATE to identify opportunities to deploy a more targeted ‘worker voice approach’ to factory workers manufacturing our Private Brand products.

Continuous Improvement - Future Focus Areas

Our goal is to identify and remediate modern slavery risks in our Operations and Supply Chain. The commitments outlined in this Statement are part of our Sustainability Strategy and are reported annually in our Sustainability Report, available on the Company [website](#).

Key focus areas for FY21:

- Monitor issues regarding forced labour of migrant workers in high-risk countries and ongoing impacts of COVID-19 on our Supply Chain.
- Improve transparency of our Supply Chain beyond first-tier factories, based on commodity and supply chain risk.
- Further rollout of Modern Slavery questions in our certification system for Service Providers.
- Improve grievance mechanisms for our team members based in China and factory workers manufacturing our Private Brand products in China.
- Complete Due Diligence Assessments for all services rated as high-risk for modern slavery.

Beyond 2021:

- Continue to improve mechanisms to measure the effectiveness of our Responsible Sourcing Program.
- Integrate lessons from COVID-19 into our Responsible Sourcing strategy.
- Design a due diligence approach beyond first-tier factories identified in FY21, based on commodity and supply chain risk.
- Identify and use opportunities for collaboration with industry and non-profit organisations to verify and help resolve modern slavery risks.
- Continuously improve disclosure regarding our efforts to address modern slavery in our Operations and Supply Chain.

Appendix 1 - Glossary

Defined term	Meaning
Act	Modern Slavery Act 2018 (Cth)
Australian Strategic Policy Institute	an independent, non-partisan think tank that produces expert and timely advice for Australia's strategic and defence leaders
Brand(s)	each of the businesses of BCF, Macpac, rebel and Supercheap Auto (collectively, the 'Brands')
Corrective Action Plan	a plan issued by the Group setting out non-conformances of a factory with our Responsible Sourcing Policy and Code, the date by which evidence must be provided to the Group demonstrating corrective actions have been completed and non-conformances remediated
Company	Super Retail Group Limited (ACN 108 676 204)
Direct Imports	products we source, or import, direct from the factories which manufacture them
Due Diligence Assessment	a self-assessment and self-declaration required to be completed by a Trade Partner to enable us to assess the risk of modern slavery in relation to the product supplied or manufactured, or service provided, by the Trade Partner
Due Diligence Process	the process by which we evaluate and address risks
Executive Leadership Team	the CEO of the Company and his direct reports
Group	the Company and its related bodies corporate
Operations	the operations of the Group
Policy	Responsible Sourcing Policy.
Private Brand	products manufactured specifically for our Brands, using product brand names owned or licensed by the Group
Program	the Group's Responsible Sourcing Program described in this Statement
Reporting Entities	those entities outlined in Appendix 2.
Responsible Sourcing Audit	the audit we may require of a Trade Partner following our consideration of their Due Diligence Assessment
Responsible Sourcing Code or Code	supports the implementation of our Responsible Sourcing Policy and sets out specific criteria for our Trade Partners regarding: <ul style="list-style-type: none"> • business integrity; • human rights and fair working conditions; • environmental management; and • sustainable sourcing
Responsible Sourcing Procedures	Sets out the processes used by the Group to verify compliance with its Responsible Sourcing Policy
Service Provider	providers of services to the Group, such as information technology, cleaning and security services
Statement	this Modern Slavery Statement
Supply Chain	the Supply Chain of the Group, including the individual supply chains of for each of the Brands (where, in this Statement, our disclosure relates to the supply chain for only one of the Brands or the supply chain of another brand, we refer to the 'supply chain')
Team Members	all employees of the Group
Trade Partners	all: <ol style="list-style-type: none"> a) trade Partners (including agents) and factories which supply, and manufacture, respectively, the Group's Private Brand products; b) factories directly contracted by any member of the Group to manufacture products; c) trade partners and factories which supply, and manufacture, respectively, non-retail products to, and for, the Group; and Service Providers
Xinjiang	officially Xinjiang Uyghur Autonomous Region, is an autonomous region of the People's Republic of China

Appendix 2 – Reporting Entities



Principal activity	Reporting entity
Retail	Super Cheap Auto Pty Ltd SRG Leisure Retail Pty Ltd Rebel Sport Limited Rebel Group Limited Foghorn Holdings Pty Ltd



Appendix 3 – Location of Information Required by the Act

The table below outlines the requirements of the Australian Modern Slavery Act and where the information can be found in this Statement.

Requirements of Modern Slavery Act 2018	Sections & Page Reference
1. Identify the reporting entity	<ul style="list-style-type: none"> • About this statement; page 2 • Our Business and Supply Chain; page 6 • Appendix 2; page 32
2. Describe the structure, operations and supply chains of the reporting entity	<ul style="list-style-type: none"> • Our Business and Supply Chain; page 6 • Our Structure; pages 6 – 8
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	<ul style="list-style-type: none"> • Risk Identification & Assessment of Modern Slavery, Operations and Supply Chain; pages 12 – 17
4. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	<ul style="list-style-type: none"> • Introduction; pages 3 – 4 • Governance and Policy Framework; pages 9 –10 • Monitoring of Risk Mitigation (Including Controls) and Remediation; pages 18 – 23 • Capability Building; page 27
5. Describe how the reporting entity assesses the effectiveness of such actions	<ul style="list-style-type: none"> • Effectiveness; pages 28 – 29
6. Describe the process of consultation with any entities the reporting entity owns or controls or with which it is issuing a joint modern slavery statement	<ul style="list-style-type: none"> • Our structure; page 6
7. Include any other information that the reporting entity considers relevant	<ul style="list-style-type: none"> • Responding to COVID-19; page 25 • Continuous Improvement – Future Focus Areas; page 30
8. Statement must be approved by the principal governing body of the entity (i.e. the board of directors)	<ul style="list-style-type: none"> • About this Statement, page 2
9. Statement must be signed by signed by a responsible member of the entity (i.e. a director/ CEO)	<ul style="list-style-type: none"> • Message from our CEO, page 5