



## **Modern Slavery Statement**

### **Complete Office Supplies Pty Ltd FY23**

This statement covers the activities of Complete Office Supplies Pty Ltd (ACN 001 634 715) (**COS**) during the year ended 30 June 2023.

This modern slavery statement is made under the *Modern Slavery Act 2018* (Cth) and sets out the actions we have taken to assess and address modern slavery risks in our operations and supply chains.

We continue to improve our initiatives and strategies with a focus on targeting supply chains that have a higher risk of causing, contributing to, or being directly linked to modern slavery. Our focus has remained on the roll out of our Supplier Terms and Conditions, Ethical Sourcing Policy and Self-Assessment Questionnaires across the supply chain. These policies set the minimum expectations of doing business with COS both generally and in respect of modern slavery, with specific obligations regarding working conditions, labour rights, and child labour. We also continue to focus on the collection of key information from our suppliers relating to modern slavery risk.

### ***About us***

At COS, we recognise that respecting the human rights of those affected by our business activities is important. We endeavour to make a positive and real difference to our immediate and greater community through our operations and wider supply chain.

We scrutinise every element of the supply chain and place a high level of importance on the behaviour of the total supply chain, as we believe this is where COS can make the most significant impact. A core focus of managing the relationships with our suppliers is ensuring that they share COS' commitment to social and environmental responsibilities. COS places preference with suppliers practicing ethically responsible methods of sourcing and manufacturing whilst maintaining world best practice labour standards.

### ***Our Structure***

COS is a company incorporated in New South Wales, Australia and our registered office is located at 25 Nyrang Street, Lidcombe New South Wales, 2141.

As a wholly owned subsidiary of D & M Lyone Holdings Pty Ltd, COS is a family owned and operated business. COS' employees are engaged by Complete Office Staffing Pty Ltd, a related entity which is also a wholly owned subsidiary of D & M Lyone Holdings Pty Ltd. COS does not have any owned or controlled entities.

## ***Our Operations***

COS is Australia's largest privately owned business-to-business cleaning, kitchen, technology, furniture and office products supplier. COS was founded in NSW in 1977 by Dominique Lyone, with COS now managed by his daughters as Co-CEOs Belinda and Amie Lyone. Since establishment, COS has grown to become a national supplier to Government, Corporate and Education institutions, offering a next day delivery service for thousands of products helping workers, students and patients to stay healthy, safe and productive to over 30,000 customers across Australia.

Our operations span across Australia, with employees, warehouses and an extensive driver network in every state and territory. COS is committed to keeping Australian workers healthy and productive by offering thousands of products to the Australian market. We are the proud employer of over 500 Australians. We also engage a variety of transportation services to deliver to our Australia wide network and recruit casual labour via hire agencies during peak periods in our warehouses.

COS has a minority interest in the Muru Group, through our investment in Muru Office Supplies (ACN 601 516 545) (**MOS**). MOS is a majority Indigenous owned company that provides office supplies and stationery, as well as IT products and solutions. MOS use the operations and supply chains of COS to deliver to their customer base. MOS are responsible for the employment of their own employees which in FY23 was six, based around Australia. Although we do not manage this joint venture, COS is committed to supporting MOS with assessing and addressing its own risks of modern slavery.

COS have an annual commitment of a minimum of \$1million donation to the Lyone Foundation. The Lyone Foundation is focused on supporting Australian based charities focused on human welfare in Australia.

## ***Our Supply Chain***

We source products from over 400 suppliers from many countries including but not limited to [Australia, New Zealand, China, Indonesia, Malaysia, USA, UK and France]. Our suppliers are primarily located in Australia (representing 78% of total supplier spend), however we acknowledge the majority of products we procure are manufactured overseas. We have identified key countries where the products we procure are manufactured (based on a percentage of supplier spend). The most significant countries include [China (34%), as well as Australia (24%), Indonesia (8%) and New Zealand (3%)].

The main types of goods and services that we procure are products that are used in any workplace environment that we resell through to our customers. These can be grouped into a number of key categories including cleaning and bathroom supplies, office products, educational supplies, office furniture, technology, kitchen and catering supplies, mailroom and packaging supplies, personal protective equipment, as well as print and promotional products.

We engage our suppliers in an annual supplier management program. Each year suppliers go through an annual review process including the updating of their company information, a recommitment to the current COS Ethical Sourcing Policy as well as an annual product range review.

We also have several other suppliers, including cleaning services for our office and distribution centres, suppliers of packaging goods for our warehouses, and maintenance service providers for our warehouse equipment. As noted above, we also engage a variety of transportation services who deliver to our Australia wide network and recruit casual labour via hire agencies during peak periods in our warehouses.

## **Modern Slavery Risks**

We recognise that modern slavery may impact our business activities and we endeavour to take responsibility for reducing the risk that we might contribute to modern slavery through our operations and supply chains.

### **Risk Assessment Methodology**

We utilise a risk assessment methodology which considers several indicators of modern slavery risks including geographic location and the level of automation in the production of goods.

Using this methodology, we undertook risk assessments of modern slavery risks in our operations and supply chains over the reporting period to consider the extent to which we cause, contribute to, or are directly linked to modern slavery practices. These risk assessments have confirmed that our operations and supply chain continue to have a medium potential for modern slavery risks.

Since our previous reporting period, we have expanded our risk assessment to consider circumstances where accommodation is provided as part of an employment offer.

We acknowledge that our recruitment of casual labour via hire agencies has a higher risk of modern slavery, due to reports of some agencies targeting specific individuals and groups from marginalised or disadvantaged communities. Whilst use of labour via hire agencies is relatively low, COS has implemented several safeguards to mitigate this risk including only using Australian agencies who are subject to Australian laws and regulations and imposing minimum standard on these recruitment processes including through COS terms and conditions and policies such as our ethical sourcing policy,

Therefore, our key area of vulnerability remains our exposure to manufacturing processes as well as some jurisdictions with an elevated risk.

Our broader risk profile is summarised in the table below.

### **Risk profile**

<b>Risk</b>	<b>Description of risk</b>
<i>People Reliance/ Level of Automation in Manufacturing Process</i>	<p>We acknowledge that manufacturing processes that rely heavily on manual labour have an increased risk of unfair labour practices, particularly in developing countries.</p> <p>We have identified certain product categories, that as a result of their manufacturing process, have a higher risk than others.</p>
<i>On Site Dormitory</i>	<p>We understand that providing accommodation as part of an employment offer creates an increased risk of modern slavery. We acknowledge these circumstances have a risk in the exchange of value for the accommodation as well as the potential of the employer to control living conditions and freedom of movement.</p> <p>We have identified industries such as product manufacturing which have a higher risk of exposure to on site dormitories or offsite accommodation.</p>

<i>Geographic/ Country of Manufacture</i>	<p>Embedded at heart of the modern slavery is the local labour law and employment laws of individual countries. Local regulations establish the minimum conditions relating to employment, such as minimum working age, minimum hourly wage and freedom to leave.</p> <p>We have identified a number of elevated risk jurisdictions in our supply chains, including China, Indonesia, and Malaysia.</p>
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***Actions to Assess and Address Risk***

We understand the importance of working collaboratively with our employees, suppliers, and the broader industry to combat modern slavery. Over this reporting period, we continue to make significant progress in implementing further steps to assess and address modern slavery in our operations and supply chains.

***Due Diligence***

As noted above, we undertook risk assessments to identify any key modern slavery risks that existed within our operations and supply chains. Consistent with previous reporting periods, the results of our due diligence have confirmed that our highest risk remains in the products we procure and resell to our customers, and this therefore remains our key focus area.

We continue to conduct due diligence on all new suppliers, as well as an annual audit process on existing suppliers. The Annual Audit or COS Supplier Program is a targeted approach to audit existing suppliers to ensure all documents and questionnaires have been completed and up to date based off the Program requirements.

Our new suppliers, including both direct and indirect suppliers, undergo a screening process that involves information gathering and audit review for potential modern slavery risks. When a supplier is approved, they are allocated a risk rating in accordance with our Modern Slavery Risk Assessment Framework (which as noted above is based on a matrix of geographic location and the level of automation in the production of goods).

In FY23, we identified the textile industry as a high risk for modern slavery and took a targeted approach of reviewing our promotional products within our Tier 1 – 4, a criteria based on spend. As a result, all suppliers were confirmed to be compliant to the Ethical Sourcing Policy and all completed the self-assessment questionnaire.

***Governance and Accountability Framework***

An internal modern slavery working group leads the assessment of our risks of modern slavery and implements actions to address those risks. The modern slavery working group comprises eight COS employees across the business including our Co-CEOs and the General Manager- Strategic Sourcing who is the responsible for the appointment and management of product suppliers.

## ***Policies and Procedures***

Our policies and procedures ensure we have strong frameworks to enable us to assess and address modern slavery risks. These policies and procedures include:

- A Modern Slavery Risk Assessment Framework which allocates suppliers a risk rating and was modified in FY22 to include consideration of the additional risk of dormitories. All suppliers were reassessed, and risk ratings modified accordingly.
- Self-Assessment Questionnaires – which were implemented across:
  - o local and import suppliers with which we have preferred supplier arrangement in place, and we spend more than 0.5% of annual purchases (**Local & Import Tier 1 Suppliers**); and
  - o local suppliers with which we have preferred supplier arrangement in place, and we spend more than 0.3% of annual purchases (**Local & Import Tier 2 Suppliers**).
- Ethical Sourcing Policy – which includes an overview of modern slavery has now been entrenched as a mandatory policy for new suppliers. All suppliers receive the policy and are asked to complete the self-assessment questionnaire which is aligned to the requirements of our ethical sourcing policy.
- Supplier introduction process – for both direct and indirect suppliers and includes a modern slavery risk assessment and policy onboarding.
- Indirect Supplier Management Framework – we introduced a standalone framework to identify and manage the risks of modern slavery within our indirect supply chains. This includes the development of a separate risk matrix for indirect suppliers.
- During FY23 we conducted a review of our Supplier Terms and Conditions which includes a commitment to our Ethical Sourcing Policy were implemented across approximately 80% of our procurement purchases through. The result was very high compliance.
  - o local and import suppliers with which we have preferred supplier arrangement in place, and we spend more than 0.5% of annual purchases (**Local & Import Tier 1 Suppliers**); and
  - o local and import suppliers with which we have preferred supplier arrangement in place, and we spend more than 0.3% of annual purchases (**Local & Import Tier 2 Suppliers**); and

## ***Grievance Mechanism***

We continue to review and enhance our grievance mechanism process, which allows employees to raise concerns of modern slavery easily and anonymously within our operations and supply chains. In FY23 this process was enhanced by adding a form for customers, suppliers and members of the public to provide feedback or report concerns of modern slavery.

During FY23, our grievance mechanism identified five suspected instances of modern slavery, reported via customers and suppliers. These suspected instances involved suppliers with supply chains located in Malaysia, Indonesia and China and were investigated by our modern slavery working group. We worked closely with each of these suppliers and in four instances identified no modern slavery. We allocated each of these suppliers an increased risk rating to ensure we continue to support and monitor these suppliers appropriately.

In one instance, following collaboration with the supplier, our modern slavery group made the decision to cease purchasing products made in Malaysia within the supply chain of the impacted supplier.

During the reporting period we also introduced a Modern Slavery Register to track and report on suspected incidences reported through the grievance mechanism.

### ***Training***

We also continued to provide training for members of the modern slavery working group. This training was used as an essential element for guiding the assessment of risk in our operations and supply chains and implementing actions to mitigate these risks.

We introduced specialised training for our staff induction process, with a focus on new employees in procurement, recruitment, and compliance roles to raise awareness of modern slavery risks and how they may arise in our business.

### **Assessing Our Effectiveness**

We are committed to reviewing the effectiveness of our actions by regularly reviewing our modern slavery processes, with senior management meeting annually to consider whether we are appropriately identifying and evaluating our modern slavery risks; and extending the function of the modern slavery working group to include conducting an annual review of our processes, policies and actions, to ensure we are appropriately identifying and evaluating our modern slavery risks.

We also monitor our performance against several key performance indicators. These include monitoring:

- the number of suppliers participating in our responsible sourcing program as a percentage of total procurement spend.
- the percentage of our procurement complying with sourcing policies.
- the number of supplier factory audits completed; and
- the number of incident and corrective action measures taken in response to actual or suspected incidences of modern slavery.

### **Consultation**

COS does not own or control any entities and consultation was therefore not undertaken with any other entities.

During FY23, there was consistent consultation and collaboration between the executive leadership of COS and the modern slavery working group within COS.

Prior to being put to the sole director of COS for review and approval, this statement was reviewed by Co-CEOs, General Manager – Strategic Sourcing as well as General Manager – People & Culture.

## ***Related Activities***

We passionately support the Lyone Foundation which was established to assist small to medium sized Australian charities, with a focus on human welfare to create a more prosperous future for disadvantaged, vulnerable and marginalised Australians. In the next reporting period, we will explore if there any charities working in the modern slavery area that we may be able to support.

Our customer network comprises some of the largest companies in Australia as well as state and federal governments. Across FY23 we have consistently been in consultation and collaboration regarding the creation of policy to address ethical sourcing and mitigation strategies. We have hosted several of these discussions and attended forums created by peak bodies in the procurement industry. Examples of this included Australian Catholic Anti-Slavery Network events, PASA Sustainable Procurement & ESG Conference (Webinar), Commonwealth Bank and Anti-Slavery Australia information session – Understanding Modern Slavery Risk

## ***FY2024 Focus***

In FY2024 we will focus on implementing improved initiatives and strategies with a focus on targeting supply chains that may facilitate modern slavery. These strategies will include:

- launching new standalone supplier terms and conditions for Import Suppliers, with a focus on onboarding Tier 1 Import Suppliers during FY24;
- implementing a focused modern slavery review process for apparel and workwear suppliers within high-risk industries (with a particular focus on apparel and workwear suppliers);
- extending our modern slavery onboarding training process to capture all new staff regardless of position;
- require members of the modern slavery committee to attend external training on modern slavery;
- introduce education posters across COS locations to increase awareness of modern slavery;
- extend the annual review process of suppliers to non-trade suppliers;
- review our Indirect Supplier Management Framework, including:
  - o reviewing the form of the questions provided to indirect suppliers and simplifying where possible;
  - o considering responses from vendors (on behalf of indirect suppliers) against our risk matrix; and
  - o considering the manner in which modern slavery compliance can be enforced among indirect suppliers.

This statement was approved by Dominique Lyone as the sole director and principal governing body of COS on [19 December 2023].

This statement was signed by Dominique Lyone as the sole director of COS on [19 December 2023].



Dominique Lyone  
Founder & Sole Director