

Modern Slavery Statement

Reporting Year FY 2023–2024



Contents

- 01 CEO Foreword
- 02 Our Structure, Operations & Supply Chain
- 03 Identifying & Addressing Risks in Our i
Operations & Supply Chain
- 04 Evaluating The Effectiveness Of Our
Actions
- 05 Update on Commitments.
- 06 Planned Activities for Financial Year
2024-2025
- 07 Appendix



This Modern Slavery Statement is published by Associated Retailers Limited (ARL) ACN 004 520 030 in accordance with its obligations under the Modern Slavery Act 2018 (Cth) for the financial reporting period

1 July 2023 – 30 June 2024 (inclusive). Established in 1956 Associated Retailers Limited is one of Australasia's largest independent retail buying groups that operates as a co-operative with retail stores across Australia & New Zealand.

The statement sets out the actions taken by Associated Retailers Limited in identifying and addressing risks of modern slavery in its operations and supply chain as well as the effectiveness of those actions.

Foreword from Franco Godinich

ARL is proud to present our Modern Slavery Statement, which reviews our progress during the 2023/2024 financial year and outlines our goals for the upcoming year.

While we did not fully meet all our 2023/2024 objectives, we have made significant strides in encouraging supplier partners to improve in key areas of concern.

We continue to collaborate closely with them to drive ongoing advancements.

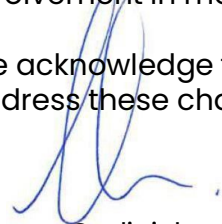
Our commitment to a zero-tolerance stance on modern slavery remains firm. It is imperative that our suppliers adhere to the Modern Slavery Act 2018 and the Human Rights Charter.

We will maintain our active engagement with supplier partners to tackle these issues effectively.

We stand by the protection of internationally recognized human rights and strive to identify and mitigate modern slavery risks.

As strong proponents of Australia's modern slavery reporting requirements, ARL is dedicated to enhancing our systems and processes to prevent any involvement in modern slavery or related human rights violations within our operations, supply chain, and services.

We acknowledge the complexity of modern slavery and remain committed to our role in building a comprehensive framework to identify, manage, and address these challenges.



Franco Godinich
Chief Executive Officer
Associated Retailers Limited



This Modern Slavery Statement has been reviewed and approved by the Board of Directors of Associated Retailers Limited
2nd December 2024

Our Structure, Operations & Supply Chain

About Associated Retailers Limited

Established in 1956 Associated Retailers Limited (ARL) is one of Australasia's largest independent retailer buying groups that operates as a co-operative with retail stores across Australia and New Zealand. The principal activities of ARL include the licensing of ARL owned brands: Camping World, Compleat Angler, Mensland, Shoex, SportsPower and Toyworld providing its members with retail, marketing and support services. Product ranges include Toys, Bikes, Sports Equipment, Camping Products, Fishing Products, Clothing and Footwear.

Across the group, stores stock a curation of over 500+ international and local brands including 15 of our own brands.

Our structure & operations

Associated Retailers Limited operations are headquartered in Oakleigh Victoria Australia and Auckland New Zealand. Our retail group has over 300 stores nationally and except for two company owned stores Toyworld Townsville and Toyworld Manakau all stores are independently owned and operated.

As of June 30, 2024, we directly employed 67 people in Australia and 17 people in NZ including both permanent and casuals throughout our five sites across 10 different business units including Brand Buying Groups, Marketing, Finance, IT and Logistics.

500+

International & Local Brands

14 (reduced by 1)

Own Label Brands

7 Independent factories in 3 countries producing our own brands



Our Own Brands



About ARL's Product Supply Chain

Associated Retailers Limited (ARL) sources products from both international and local brands, alongside its own proprietary brands. The company's diverse portfolio includes 14 exclusive brands spanning categories such as toys, sporting equipment, apparel, fishing, and camping. In the financial year 2023-2024, these proprietary brands included Playworld, Gym Tech, SportsPower, Bertini, Compleat Angler, Angler Tech, Icon, Nitro, Yakamito, Live Native, Konan, Camping World, Outdoor Equipped, and Feral X. As of June 30, 2024, ARL collaborated with seven independently owned factories located in China (5), Taiwan (1), and Vietnam (1) for product sourcing.

Non-trade Supply Chain

During the 2023-2024 reporting period, ARL worked with 18 different suppliers in its non-trade supply chain. These suppliers provided various goods and services essential to ARL's operations, including logistics, international freight forwarding, packaging, and cleaning services.

Governance and Accountability

ARL is committed to strong governance and upholding comprehensive human rights standards. The ARL Executive Team takes full responsibility for the company's due diligence processes, ensuring that modern slavery risks are addressed and managed within its Corporate Social Responsibility (CSR) framework.

Addressing Environmental Impacts

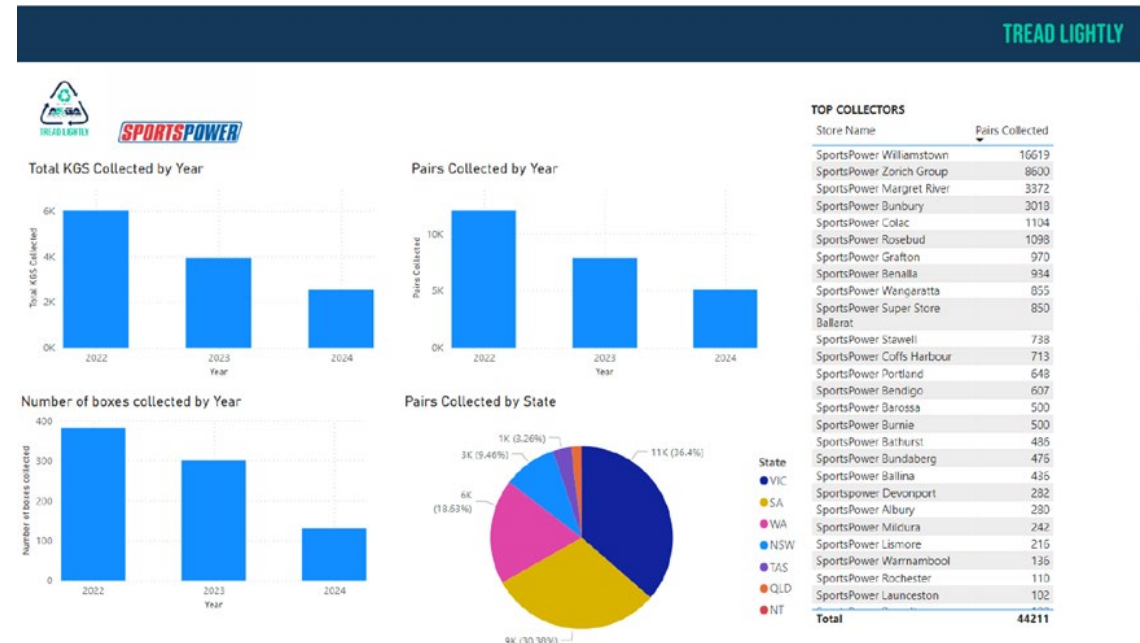
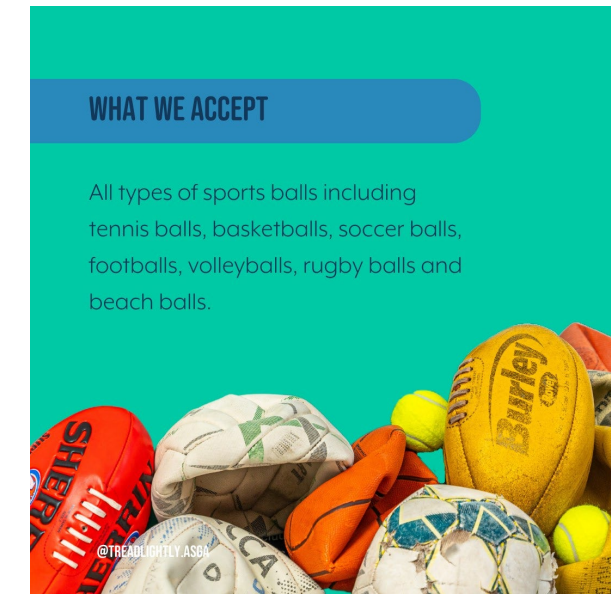
In FY 2023/24, ARL strengthened its commitment to environmental responsibility through ongoing partnerships with Tread Lightly to recycle footwear and sports balls all aimed at reducing ecological footprints.

A key focus was minimizing non-recyclable packaging in product shipments, achieved through collaboration with supplier partners.

In the apparel sector, ARL prioritized environmental stewardship by:

- Reducing the use of plastic hangers for shipping textiles, clothing, and footwear (TCF) products across 10% of suppliers and opting to reuse wooden hangers in stores.
- Ensuring suppliers utilized recyclable bags for garment shipments.
- Partnering with new suppliers producing garments from recycled materials, such as plastic bottles, resulting in over 20% of apparel sourced sustainably.
- Additionally, sporting goods brands made significant strides, with nearly 30% of products now composed of recycled materials.
- Further transitioning from plastic to paper bags in SportsPower and Toyworld stores.

These initiatives reflect ARL's commitment to its CSR strategy and reducing environmental impacts.



Identifying & Addressing Risks in Our Operations & Supply Chain

At ARL, we are committed to addressing modern slavery in all its forms, including coercion, threats, deception, human trafficking, slavery, servitude, forced labor, debt bondage, forced marriage, and the worst forms of child labor.

We hold our staff and supply chain partners to rigorous standards, ensuring that they meet the minimum requirements for environmental responsibility, human rights, labor practices, and health and safety as outlined in our ARL Supplier Code of Conduct.

To ensure transparency and manage risks across our operations, we use detailed assessment tools and supplier questionnaires.

These tools, implemented in FY 2022–2023, allow us to gather essential information about our suppliers and their operations. We assess risks based on country, industry sector, commodities, and worker groups, and categorize suppliers according to their country of origin and supply volume.

We conduct a gap analysis to evaluate the potential risk within our supply chain, using the Global Slavery Index and the 2020 ITUC Global Rights Index to inform our risk profiling.

ARL's operations, located in Oakleigh and Dandenong South (Melbourne, Victoria), Townsville, Auckland (New Zealand) and Manukau (New Zealand), have a low-risk profile.

To further mitigate modern slavery risks, we ensure a thorough recruitment process for all employees, including verifying their legal right to work and confirming their age.

Our commitment to ethical business practices is reinforced through our zero-tolerance approach to bullying and strict anti-bribery and anti-money laundering policies, which are covered in our Code of Conduct.

We prioritize employee health and safety and support equal employment opportunities through our policies, which are reviewed annually by the Audit & Risk Committee.

All staff are given access to these policies, which are explained during induction and made available through our network.

Actions Taken in Our Operations

In FY 2023/24, ARL's ongoing focus remained on embedding our CSR and Modern Slavery framework within our organizational culture.

A reduction in our direct supply base has delayed implementation of some initiatives as we look to further reduce our direct factory suppliers. In 24/25 there will be a focus on logistics carriers.

As part of our induction process, all new ARL team members receive training via our policies in corporate social responsibility, modern slavery, and sustainability.

We also continue to remind product category buyers of their obligations under the Modern Slavery Act when negotiating with new suppliers.

Compliance with our Code of Conduct, CSR framework, and the use of our comprehensive supplier questionnaire assessments are key expectations in this process.

The management of risks in our operations continue to be ensured through a robust governance framework, comprehensive reporting, a detailed risk-assessment process, and a suite of policies, all of which are overseen by our Audit & Risk Committee.



Grievance mechanisms

ARL believes in a workplace culture that encourages all our employees, contractors and business partners to report any concerns or circumstances which may give rise to the risk of slavery or human trafficking.

The report process is designed to make it as easy as possible for people to make disclosures about any concerns. Employees are encouraged to report to their managers or to the person who is their key contact at ARL.

A separate email address modern.slavery@arl.com.au is available as a point of contact for any modern slavery related queries or reporting. There were no concerns relating to human rights or modern slavery violations during the reporting period.

Risks in our own-brand supply chain

During FY 2023 -2024 there was a reduction in our our own label supplier base

Our 2023-2024 risk assessment identified that out of the 7 own-brand factories used all 7 are located in countries with a higher presence of modern slavery risk indicators.

In this reporting period we re-issued the Supplier Code of Conduct and continued our questionnaire process to identify any changes in our factories over the past 12 months. Risk indicators around the composition of the work force including % of women workers, the use of agency and migrant labour, the availability of grievance mechanisms and union participation, as well as the International Labour Organisation (ILO) indicators of forced labour such as excessive overtime were reviewed.

Completed questionnaires were returned by 7 out of the 7 suppliers (100%). Of the 7 completed 7 factories were able to provide documentation relating to audits conducted via third parties and certification received with all compliant.

In 23/24 no risks were identified.

Factory audits and remediation

We continue to utilize audit information and certification provided by 7 of our largest own label factories to verify compliance utilizing the modern slavery assessment framework. Information received from audits in FY23/24 indicated that all factories were low risk.

Factory-Level Risk Assessment

Our Modern Slavery Factory Assessment Questionnaire, combined with external audit reports, provides a comprehensive view of compliance across our factories in place of physical audits. The assessment covers several key areas to evaluate factory practices and address potential risks.

Modern Slavery Responses: This includes evaluating policies and processes, worker training on modern slavery risks, and any prior breaches.

Supply Chain Management: We assess risks further up the supply chain and identify potential issues that could affect the factories.

Child Labour: Compliance with United Nations ILO Conventions is checked, along with age verification, ensuring that the youngest worker is legally of age.

Forced Labour, Bonded Labour, Human Trafficking: Factories are assessed for policies and processes to prevent these issues, including the retention of documents, security deposits, monetary fines, and how they address human rights risks.

Employment Conditions: We verify compliance with legal entitlements, employment contracts, accommodation conditions, the freedom to leave employment, and policies on working hours.

Grievance & Redress Mechanisms:

Factories are required to provide mechanisms for workers to raise concerns. We assess how these are monitored and what actions are taken to address human rights risks, including the effectiveness of remediation processes.

The assessment conducted in FY 2023/24 found that our own-label factories continue to show a low reliance on seasonal workers, with 98% of workers being permanent employees and a 60/40 male-to-female ratio. All factories have worker representatives, although union representation remains low. The youngest worker in the factories is 21 years old on average.

Additionally, 90% of the factories provided written copies of Modern Slavery Policies, including those on working hours, overtime, and minimum payments. The remaining factories documented their policies clearly, with verification from external audits.

Most factories continue to use complaint boxes for grievance reporting, and 70% have complaint lines in place.

Actions taken in our own-brand supply chain

During FY23/24 ARL has continued to use our questionnaire and declaration process within our own-brand supply chain to assess risk. This will continue to be required annually from all suppliers.

We reduced our supplier base by 2 factories in 23/24.

Supplier manuals incorporating the Supplier Code of Conduct and CSR Framework have been issued to all own label suppliers and factories and were resent again through the assessment process.

We will also encourage our own-brand suppliers to undertake online training, external audits and certification on modern slavery risks to support their awareness and understanding of ARL's values and policies.



Risks in Our Wholesale Supply Chain

Assessing and measuring modern slavery risks within our wholesale supply chain is more challenging due to limited visibility.

We acknowledge that modern slavery risks may be present, particularly in countries and industries with higher risk profiles.

According to the Global Slavery Index, over 70% of Australia's imported clothing comes from countries where the apparel industry faces a significant risk of modern slavery.

Given the broad range of apparel and footwear brands sold in our SportsPower and Mensland stores, a substantial proportion of our products are sourced from countries and sectors with high inherent risk levels.

ARL is committed to minimizing modern slavery risks across our supply chain by continuing to use supplier questionnaires and compliance documentation.

Suppliers who are unable to provide the necessary information will be reassessed to determine their suitability as preferred suppliers.

Actions Taken in Our Wholesale Supply Chain

While we do not directly own or control our third-party brand partners, we recognize our responsibility to influence and increase visibility to better manage and mitigate modern slavery risks within our wholesale supply chain.

Given our lack of direct control over wholesale suppliers, our approach focuses on engagement and educational support.

Like our own-brand supply chain, we began our audit process by requesting suppliers to complete our questionnaire and declaration.

For larger suppliers, we continued the practice of submitting Modern Slavery Statements and declarations, allowing us to focus on smaller suppliers where risks are more prevalent. We have also continued using mapping and gap analysis to assess and address these risks.

This process did not uncover any non-conformance, with the supplied responses accepted as factual.

We continue to actively encourage all our wholesale supply chain partners to participate in online modern slavery training to raise awareness of this issue.

We also promote awareness of our Supplier Code of Conduct and trading terms to ensure better compliance.

Evaluating The Effectiveness Of Our Actions

ARL is committed to regularly reviewing our processes to increase visibility across all our supply chains.

This year, our internal audit process revealed that our supplier questionnaire remains significantly comprehensive enough, allowing us to identify and analyze both current and potential modern slavery risks and indicators.

We will continue to reassess this document.

However, for now, it provides the transparency needed, and suppliers are increasingly well-prepared to provide the required information.

The quality and depth of the data collected during this reporting period reinforce our confidence in our ability to identify and address non-compliance, enhance our outcomes, and ensure our efforts have a greater impact.

At this stage, there is no known evidence of modern slavery in our operations, own-brand supply chain, or wholesale suppliers.



Update on Commitments

In response to the ongoing risks of Modern Slavery we continue to identify key priorities to manage and mitigate to Modern Slavery risks in our operations and supply chain.

Action Items for 2023–2024

Our approach in 2023–2024 was to review , maintain and improve activities and processes previously implemented. We have analyzed the 3 key areas of Internal, External and Process Improvement requirements and activities.

Internal

- Re-run modern slavery awareness training for all staff. Evaluate the implementation of on-line modules to support.
- *Delayed 24/25 will be added to our new ARL Central Portal*
- Establish a dedicated CSR working group to assess current CSR status and develop a CSR integrated strategic plan. *Formal working Group Delayed however progress made.*
- Identify and implement environmentally conscious suppliers across ARL Brands *Achieved/Ongoing 24/25*

External

- Increase visibility of modern slavery risk or abuse by reviewing own-brand supplier questionnaire and declaration compliance to 100% *Achieved*
- Continue to engage with non-reporting smaller wholesale suppliers to build their awareness in managing modern slavery risks. Audit 35 Suppliers FY 23/24 *Ongoing with 24 Suppliers Audited*

Process Improvements

- Continue to implement robust due diligence on working conditions in factories through more detailed supplier questionnaires and annual supplier declarations *Achieved*
- Undertake risk assessments across logistics carriers. *Delayed 24/25*
- Roll-out to all suppliers new Supplier Code Of Conduct. *Achieved*
- Design and implement new on-boarding process and documentation suite for new own-brand suppliers. *Delayed as direct suppliers are reducing*

Planned Activities For Financial Year 2024–2025

In response to the ongoing risks of Modern Slavery we continue to identify key priorities to manage and mitigate to Modern Slavery risks in our operations and supply chain.

Approach for 2024–2025

Our approach for 2024-2025 is to review, maintain, and enhance the activities and processes we have previously implemented. We have assessed the three key areas: Internal, External, and Process Improvement requirements and activities.

Internal

- Re-run modern slavery awareness training for all new team members and evaluate the implementation of online modules to support this initiative.
- Establish a dedicated CSR working group to assess the current CSR status and develop an integrated strategic CSR plan.
- Continue to Identify and engage environmentally conscious suppliers across ARL Brands.

External

- Increase visibility of modern slavery risk or abuse by reviewing own-brand supplier questionnaire and declaration compliance to 100%
- Continue to engage with non-reporting smaller wholesale suppliers to build their awareness in managing modern slavery risks. Audit additional 20 Suppliers FY 24/25

Process Improvements

- Continue to implement robust due diligence on working conditions in factories through more detailed supplier questionnaires and annual supplier declarations
- Undertake risk assessments across logistics carriers.
- Roll-out to all suppliers new Supplier Code Of Conduct.

Appendix

This Modern Slavery Statement was prepared in accordance with the mandatory reporting criteria set out in the Modern Slavery Act 2018

Mandatory criteria	Mandatory criteria	Page Numbers
<ol style="list-style-type: none"> 1. Identify the reporting entity 2. Describe its structure, operations and supply chains 3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity any entities the reporting entity owns or controls. 4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes. 5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks. 6. Describe the process of consultation with any entities the reporting entity owns or controls. 7. Provide any other relevant plans. 	<ol style="list-style-type: none"> 1. Contents 2. Our Structure, Operations & Supply Chain 3. Identifying & Addressing Risks In Our Operations & Supply Chain 4. Our Actions to Assess & Mitigate Modern Slavery Risks In Our Operations & Supply Chain 5. Evaluating The Effectiveness Of Our Actions 6. N/A no controlled or owned entities 7. Update on Commitments Planned Activities FY 2023-2024 	<p>02</p> <p>04 – 05</p> <p>06-10</p> <p>06-10</p> <p>10</p> <p>N/A</p> <p>11 – 12</p>