



# Modern Slavery Statement

## Complete Office Supplies Pty Ltd FY2022

This statement covers the activities of Complete Office Supplies Pty Ltd (ACN 001 634 715) (**COS**) during the year ended 30 June 2022.

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, technology, furniture, kitchen and office products supplier. COS was founded in NSW in 1977 by Dominique Lyone, with COS now managed by his daughters and 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 for every room in a workplace 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 600

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 FY22 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 300 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 80% 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 (35%), as well as Australia (27%) and New Zealand (4%).

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 a number of 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 a number of 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**

Risk	Description of risk
<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>

**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 have made significant progress in implementing further steps to assess and address modern slavery in our operations and supply chains. As noted further below, these additional steps include enhancing our risk assessment framework, expanding the rollout of our supplier terms and conditions to our Tier 2 suppliers, and engaging more closely with our clients on modern slavery risks – including by making our grievance mechanisms available to them.

**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. All product suppliers were assessed (or re-assessed in many instances) and given a risk rating under 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 FY2022, we categorised two suppliers as high risk as a result of concerns reported from customers through our internal grievance mechanisms. We continue to manage these high risk suppliers through increased monitoring and regular communication. We will continue this support throughout FY23 to reduce and mitigate the modern slavery risks of these suppliers in future.

In addition to those suppliers identified above we identified 14 Tier 1 and Tier 2 suppliers as presenting a medium risk of modern slavery.

### ***Governance and accountability framework***

An internal modern slavery working group leads the assessment of our risks of modern slavery and implement actions to address those risks. The Modern Slavery working group comprises the General Manager – People & Culture, Import Category Manager as well as two Group Category Managers (who are the responsible for the appointment and management of suppliers). Since our last reporting period we have further embedded this working group into our business and have expanded membership to include our Co-CEOs.

### ***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.
- our new supplier introduction process – for both direct and indirect suppliers and includes a modern slavery risk assessment.
- Supplier Terms and Conditions which includes a commitment to our Ethical Sourcing Policy were implemented across approximately 80% of our procurement purchases through:
  - 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 – which allows employees to raise concerns of modern slavery easily and anonymously within our operations and supply chains. In FY22 this process was also extended to allow our customers to anonymously raise concerns of modern slavery.

### ***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. Several members of the modern slavery working group also attended webinar training and engaged with subject matter experts within our customer and supplier network.

We introduced specialised training for all staff involved in the selection of direct and indirect suppliers as well as all employees in leadership positions responsible for casual labour recruitment.

We have also conducted targeted training for all sales staff and employees in leadership positions to raise awareness of modern slavery risks and how they arise in our operations and supply chains.

## **COVID-19**

The COVID-19 pandemic has brought further challenges to modern slavery and highlighted social and economic inequalities worldwide. COS has assessed the impact of the COVID-19 pandemic on its practices and risks to modern slavery.

COVID-19 has impacted our regular activities, or new activities we were amid implementing, to assess and address risks of modern slavery. One of these measures we had usually performed was visits to overseas factories, however those visits have been temporarily replaced with third party audits carried out by independent people engaged by COS within the relevant overseas jurisdiction.

## **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 & 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 FY2022, 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 FY22 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 involvements in meetings held by the Catholic Archdiocese of Sydney's Anti-Slavery Taskforce and participating in a virtual meeting with Anti-Slavery Australia hosted by CBA Group Procurement

## ***FY2023 focus***

In FY2023 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:

- introducing modern slavery training to 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.
- introducing a separate supplier management framework for indirect suppliers.
- conducting a review of the Terms & Conditions for import suppliers.
- reviewing our grievance mechanism process with a focus on concerns reported during FY22.
- enhancing our grievance mechanism by adding a form for customers to provide feedback or report concerns
- working towards all suppliers to have reviewed and signed the Ethical Sourcing Policy; and
- undertaking a modern slavery review of top 10 suppliers of promotional products.

This statement was approved by Dominique Lyone as the sole director and principal governing body of COS on 22 December 2022.

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**Dominique Lyone**  
Founder & Sole Director