

Modern Slavery Statement

Introduction

Prouds Jewellers Pty Limited (Prouds) and its subsidiary companies are committed to upholding Human Rights and acknowledge the very real risk of Modern Slavery and Human Rights violations within corporate operations and global supply chains.

Whilst Prouds has every confidence that its Suppliers are operating with the highest level of decent and fair work practices, we well understand the need to ensure all possible measures are being taken to ensure the wellbeing and safety of those directly or indirectly employed by Prouds.

The expectation will always be that Prouds' Staff and Suppliers comply with all national laws and regulations that apply in the country in which they are operating and in which any production or provision of service is taking place, including their respective supply chains. This includes operating in a manner that prevents exploitation and minimises the risk of forced labour, human trafficking, servitude, and the worst forms of child labour.

Prouds acknowledges the need to help address the issue of Modern Slavery by taking all reasonable steps to demonstrate a meaningful commitment to promoting and upholding the Human Rights of all its Employees, Suppliers and Customers.

The COVID-19 pandemic presented Prouds with significant challenges, including its ability to assess and address the risk of Modern Slavery and to promote risk mitigation policies and procedures.



Prouds has, however, maintained robust internal policies to help uphold Human Rights within its operations and has maintained an enduring engagement with its Suppliers.

Based on assessments and reviews to-date, Prouds has not identified any evidence of suspected Modern Slavery or Human Rights violations within either the organisation or within its supply chains, and it has been agreed the overall risk is considered as low.

This statement is issued by Prouds Jewellers Pty Limited, an Australian specialty retailer of jewellery, watches and giftware, and seller of watch and jewellery repair services. It has been prepared on behalf of and approved by the Chief Executive Officer and the Board of Directors for the financial year ended May 31st 2022.

Our Company

Prouds Jewellers Pty Limited, ABN 99 073 053 273, is a wholly owned subsidiary of James Pascoe Limited (JPL), a privately owned company registered in New Zealand, and is also reporting on behalf of its wholly owned subsidiary companies Angus & Coote Pty Limited (ABN 76 000 009 772), Goldmark Jewellers Pty Limited (ABN 42 001 060 573) and Stewart Dawsons (87 073 053 219) (often referenced as the JPL Group or JPLA).

Prouds has an annual turnover which exceeds \$700m annually and directly employs over 4,000 Staff. Prouds operates over 450 retail outlets across Australia from its registered Support Office in Sydney, which also houses its national distribution centre and warehouse. Prouds also operates online platforms and e-commerce channels for each of its three retail brands from the Sydney Support Office.

The Prouds workforce is highly skewed towards female employees, representing 95% of all Team Members. The vast majority are employed within a network of stores, where their primary role is as sales professionals.

Our Operations

As of 31 May, 2022 Prouds operated 266 retail stores, 116 Angus & Coote stores and 69 Goldmark stores.

A vast majority of jewellery purchased and sold by the JPL Group is purchased directly from manufacturing suppliers, with only one



wholesale agent engaged in a small capacity. Similarly, all packaging and almost all giftware is sourced directly from the manufacturer of the finished article.

Although some watch brands are purchased directly from manufacturing suppliers and sold under proprietary brands, the balance is typically sourced from the licence holder's Australian operations or their agent/distributor.

Products are sourced by experienced buying and procurement teams, based in the Prouds Support Office, and then received into the distribution centre by the warehouse team before being distributed to stores. The importation and local transport to stores is coordinated through established carriers and their agents.

The Support Office also houses Accounting & Finance, IT, Human Resources, Payroll, Marketing, Workshop Services and Loss Prevention teams.

Within the reporting period, Prouds has assessed the risk of Modern Slavery within its internal operations and deemed this to be very low.

Furthermore, the company has reviewed its policies regarding more general Human Rights, including our Code of Conduct, Grievance Policy, Bullying and Harassment Policies and the 'whistle-blower' option afforded by the Staff-Line.

Addressing the Risk of Modern Slavery in Our Operations

Code of Conduct.

The Company Code of Conducts states that *"As a Team Member of the JPL Group, you are a representative of the Company and play an important role in maintaining its reputation as a leader in the jewellery retail industry. The conduct of each Team Member will be, at all times, held to the highest standard. This includes a commitment to integrity, honesty and fair trade."*

The Code specifically includes reference to (a) the requirement when dealing with Customers, Suppliers, and other Team Members to treat all people with integrity, respect and empathy, and (b) contribute to a culture that fosters a high standard of ethics.

In reference to Health and Safety, the code requires all Staff to (a) report hazards, accidents, injuries, and unsafe practices, and (b) to



not act in any way which endangers the safety or welfare of other Team Members, Customers or other parties.

The Company Code of Conduct must be adhered to at all times and applies to all Staff. It is provided to all new starters as part of their on-boarding process, and is readily accessible to all Team Members.

Any action which breaches the Code of Conduct is taken seriously by the Company and if a Team Member engages in any offence which is regarded by the Company as misconduct or serious misconduct then that matter will be investigated. This may lead to disciplinary action up to and including termination of employment.

Grievance Policy.

Prouds recognises that disputes and grievances may arise in the workplace, and acknowledges the right of Team Members to express their concerns about work related issues and to have those concerns dealt with competently within a reasonable timeframe, and in an environment of mutual trust and respect.

Prouds acknowledges it has a legal responsibility under anti-discrimination, Work, Health and Safety (WHS) and other Federal and State legislation to identify and resolve work-related grievances in an appropriate and timely manner.

The purpose of Prouds' Grievance policy is to create and maintain a productive and effective means for Team Members to promptly communicate their concerns and resolve any workplace grievances.

Bullying and Harassment.

Prouds is committed to providing a safe and healthy work environment for all Team Members. One that is free from discrimination, bullying and harassment. The JPL Group takes all reasonable steps to prevent unlawful discrimination, harassment or bullying behaviours in the workplace.

This policy seeks to ensure all Team Members understand that the JPL Group will not tolerate behaviours that are in breach of the Discrimination, Bullying and Harassment Policy and outlines expectations of behaviour and procedures for dealing with complaints.

Staff-Line.

As a large organisation, the JPL Group is committed to promoting ethical and honest behaviour and ensuring Employees feel safe and



secure in their work environment. In support of this commitment, The JPL Group operates an anonymous Staff-Line to facilitate confidential reporting of potential misconduct or concerns in the workplace.

The Staff-Line helps to ensure that concerns can be raised regarding inappropriate conduct, that the reporting party will not be subjected to victimisation, harassment or discriminatory treatment when raising concerns in good faith and that proper investigation will ensue.

Each report to the Staff-Line is investigated thoroughly and appropriate action is taken when and where necessary.

Our Supply Chain

Prouds has long-established partnerships with all its major Suppliers. The nature of its Supplier base is diverse, with each factory typically specialising within a niche of the sector and/or manufacturing process.

Prouds' Supplier base for Jewellery, watches, giftware and packaging includes 161 manufacturers in over 18 countries.

The supply chain for watches has been deemed to be of relatively low risk, as the vast majority of production for the products purchased is conducted in China, and whilst China has been deemed a medium risk country of origin, watches are manufactured by a skilled workforce, thus minimising the potential risk.

Although Prouds sources products from around the world, China, Italy, India, Vietnam and Thailand represent its largest countries of origin. By value, 88% of the jewellery is sourced from these five countries and 66% is sourced from the top ten individual Suppliers.

There are many resources used by Prouds' jewellery Suppliers to manufacture the products sold into merchantable goods. This stretches deep into the supply chain, from the mines where precious gems and metals are sourced, to the cutting and polishing of rough gemstones, through to the shipping by sea freight. The risk of unlawful and unethical activities at the various stages leading to the final production of products is acknowledged and the Company is working with its Suppliers to educate them on the need to adhere to the United Nations' Guiding Principles on Business and Human Rights.



Addressing the Risk of Modern Slavery in the Supply Chain

Prouds has considered the risks in its supply chain by reviewing geographical, industry and cultural factors.

During the reporting period, Prouds has conducted some initial scoping to assess the nature and extent of Modern Slavery risks within its supply chain and its supply chain has been identified as the biggest area for potential risks of Human Rights breaches. It is also the area of biggest complexity.

Although assessed to be low, there are inherent risks of Human Rights breaches within the supply chain, including the potential for Modern Slavery at the various stages of production.

Prouds has identified its largest manufacturers of Jewellery and Packaging as being the highest priority for review.

There are inherent risks of Modern Slavery in the jewellery manufacturing industry, even though the craftsmanship involved in most processes requires a relatively high skill-set and the primary risk is further upstream, at the source of raw materials. There is also a risk that Suppliers may focus on minimising production costs by adopting Modern Slavery practices.

Furthermore, given the number of Suppliers from which products are sourced, there is a potential risk that some of these companies may undertake dangerous or substandard practices to supply an order and it is, therefore, well understood that agreed pricing and delivery timeframes must be reasonably determined to not indirectly contribute to any kind of exploitation.

The JPL Group and its Employees engage with its Suppliers in a fair and reasonable manner; viewing the dealings as a partnership in which the benefits are reciprocal in nature and one which has a long-term and sustainable view.

Our Response to Modern Slavery Risks

Accepting and understanding the risk of Modern Slavery within the supply chain has been fundamental in reviews conducted to-date. It has given reason to transition from a 'high trust' relationship with



Suppliers to one where due diligence and risk assessments are commonplace activities.

Through Modern Slavery and Human Rights education, including the planned roll out of targeted training for all Executives, Senior Managers, Buying, Procurement and Logistics Staff, as well as the need to adopt appropriate policies, procedures and remediation strategies is acknowledged.

Prouds is currently in the process of drafting, publishing and implementing a formal Supplier Code of Conduct which expresses a commitment to identifying the potential for Modern Slavery in the supply chain and how any suspected or confirmed incidents of Human Rights breaches will be remediated. This Code of Conduct is a commitment, between Prouds and all current and future suppliers, that due diligence will be taken at all times to mitigate any risks of Modern Slavery and/or Human Rights Violations.

This Code of Conduct has been drafted with reference to the UN Guiding Principle on Business and Human Rights (UN Guiding Principles) with a requirement of all parties to respect and uphold Human Rights in their operations and supply chains. This includes a commitment to the prevention and mitigation of Modern Slavery, and remediation where appropriate.

Human rights, safe working conditions, health and safety policies, ethics, zero tolerance of forced labour, excessive working hours, the worst forms of child labour, debt bondage, human trafficking and deceptive recruiting will be specifically referenced in the Code of Conduct.

In the event remediation is required because of a breach of the Code of Conduct or policies or because Modern Slavery is suspected, Prouds will work with the Supplier to better educate them on how to prevent such violations and more rigorous audit requirements may be undertaken. However, serious breaches may result in a suspension or termination of the sourcing of products from the offending company.



Our Next Steps

Prouds will continue to work to incorporate Modern Slavery risk mitigation strategies and the promotion of Human Rights in normal business operations.

<i>Planned Action</i>	<i>Measurement of Achievement</i>
Establishment of a formal Modern Slavery & Human Rights committee to oversee the company's commitment to mitigate and remediate concerns in this area.	Appointment of members and ratification by the Board.
Due diligence and on-boarding procedures for new Suppliers will also be updated to include the completion of a Human Rights Audit prior to the commencement of trade.	Establishment of updated processes and compliance with additional requirement.
The Supplier Code of Conduct will be promoted in 2023 year and all Suppliers will be required to sign a declaration agreeing to abide by the terms of the Supplier Code of Conduct. This will be prepared in alignment with the UN Guiding Principle on business and Human Rights (UN Guiding Principles).	The number and/or percentage of suppliers agreeing to abide by the Code of Conduct.
Prouds undertakes to continually analyse its supply chain to further improve its understanding of the potential for Human Rights breaches by way of a Human Rights Questionnaire	The number of formal supplier surveys and/or due diligence reviews completed.
Prouds also commits to regularly educate relevant Staff as to the risk of Modern Slavery and how those risks can be best mitigated.	Monitoring completion rates of prescribed training.
Prouds will also work to improve Supplier awareness of Modern Slavery risks, and to expand these partnerships with Suppliers to encourage an ongoing dialogue about Modern Slavery risks in their own supply chain. This will include clearly communicated expectations and the development of a framework for ongoing due diligence reviews.	Drafting and publishing of appropriate communications to suppliers.
Internally, the Company's Bullying and Harassment policies will continue to be promoted, including the Grievance Policy and Staff-Line.	Schedule annual communication to Team Members and require annual confirmation of a commitment to abide by the Bullying and Harassment policies

Confirmation of Approval

This Modern Slavery Statement was prepared on behalf of the Group Chief Executive Officer and approved by the Board of Directors.



Myles Norman
Group Chief Executive Officer

