



Inspiring you to  
live your passion

ABN: 81 108 676 204



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## ABOUT THIS STATEMENT

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

This is SRG's Modern Slavery Statement (Statement) pursuant to the *Modern Slavery Act (Commonwealth) 2018* (the Act) for the financial year ended 30 June 2021 (FY21). SGR makes this joint Statement on behalf of itself and the entities described under section 2.3 *Reporting Entities*. This Statement describes how SRG seeks to identify, assess and address risks and instances of modern slavery across its Operations and Supply Chain. It also sets out how SRG assesses the effectiveness of its approach.

This Statement has been internally reviewed and subject to limited external assurance.

The CEO and Board of SRG (as principal governing body of the entities described in 2.3 *Reporting Entities*), approved this Statement on 24 November 2021. Refer to Appendix 2 for approvals and confirmation of mandatory criteria according to sections 4 and 16 of the Act.

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



## 1. Message from our CEO

Earlier in 2021 we were proud to submit our inaugural Modern Slavery Statement for FY20. Like the year that preceded it, 2021 has continued to be a challenging year for suppliers, retailers and customers.

Super Retail Group acknowledges that modern slavery is a severe abuse of human rights and a significant issue within global supply chains. We remain committed to addressing modern slavery through our Responsible Sourcing Program.

Sourcing responsibly is important to our stakeholders and reflects our Group values. It is an integral part of our approach to sustainability.

During FY21, we continued to identify and address modern slavery risks in our operations and supply chain through our Responsible Sourcing Program. In particular we:

- Reviewed our Responsible Sourcing Program to identify gaps and opportunities for improvement;
- Worked with an external advisor to review our risk processes regarding migrant labour;
- Emphasised the importance of our Responsible Sourcing Program and supplier standards with our Trade Partners; and
- Made a public commitment in New Zealand to address modern slavery and encourage positive policy change.

I am pleased with the progress we have made. We also recognise the need to keep improving. We need to reflect the continuous improvement spirit of the Modern Slavery Act and remain vigilant about preventing potential negative impacts of our business on people working in our operations and supply chain. We know that every business has a part to play.

We are committed to making real change on these issues and look forward to addressing the challenges ahead.



**Anthony Heraghty**  
Group Managing Director and  
Chief Executive Officer



SRG is a signatory to the United Nations Global Compact (UNGC), a participant of the Global Compact Network Australia (GCNA), and strongly supports the Ten Principles of the UNGC in the areas of Human Rights, Labour, Environment and Anti-Corruption. SRG aims to contribute to the UN Sustainable Development Goals (SDGs) through our Operations and Supply Chain.

## 2. Our Business

### 2.1 ABOUT US

Super Retail Group (ASX: SUL) is the proud owner of four iconic brands: Supercheap Auto, rebel, BCF and Macpac (Brands), and is one of Australia and New Zealand’s largest retailers.

Our powerful Brands have established leading positions in the growing, high-involvement lifestyle categories of auto, sports and outdoor leisure. We provide our customers and highly engaged eight million active loyalty club members with the option to experience our Brands whenever and however they choose – whether that’s through our network of 698 stores or via our digital capabilities, which we continue to enhance.

SRG sources, distributes and provides customers with a mix of national and international consumer branded products, as well as Private Brand products, through online and in-store channels. SRG provides centralised support services for the procurement and distribution of goods, including marketing, e-commerce activities, customer service and logistics management.

### OUR VISION

Inspiring you to live your passion – whether that’s proudly looking after your car, running a marathon, catching a ‘barra’ or reaching a mountain summit.

### OUR VALUES



PASSION



OPENNESS



INTEGRITY



CARE



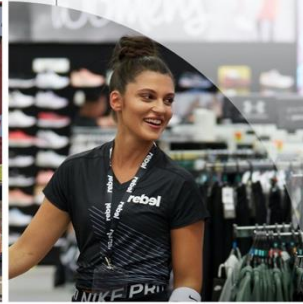
DISCIPLINE

## 2.2 OUR BRANDS

**Supercheap Auto** is Australia and New Zealand's largest specialty automotive parts and accessories retail business. We leverage our market leadership to provide a wide range of tools and accessories for the DIY home handyman, as well as products for travel, touring, outdoors, garage and the shed.



**rebel** helps our customers chase their sports dream. We are Australia's leading sporting goods specialist retailer, bringing the best of global brands direct to our customers. We inspire all Australians to live their sporting passion, with the best service and products empowering every customer to answer the call of sport.



**Macpac's** apparel and equipment has inspired a life outdoors since 1973. Designed, tested and proven in the ultimate outdoor test lab – New Zealand – our wide range of products are made by adventurers, for adventurers.



**BCF** is a leading outdoor retailer, with stores in every Australian state and territory. With expert knowledge and service, we provide everything you could possibly need for your next boating, camping or fishing adventure, all under the one roof.



## 2.3 REPORTING ENTITIES

SRG makes this Statement on its own behalf and on behalf of the following entities for which it is the ultimate holding company (Reporting Entities):

- Super Cheap Auto Pty Ltd ABN 64 085 395 124;
- SRG Leisure Retail Pty Ltd ABN 51 110 667 411; and
- Rebel Group Limited ABN 97 110 006 678 (Rebel Group), Foghorn Holdings Pty Ltd ABN 87 122 558 874 (Foghorn), and Rebel Sport Limited ABN 78 003 283 823 (Rebel Sport), noting that Rebel Sport is the trading entity and Rebel Group and Foghorn are Reporting Entities because of its ownership of Rebel Sport.

For the reporting period, there were no other reporting entities (such as joint ventures, wholly or partially owned entities) required to be named in this joint Statement. The subsidiaries, controlled entities, and investments of the Reporting Entities (Controlled Entities) can be found on page 117 of our [FY21 Annual Report](#).



### 2.3.1 CONSULTATION WITH OWNED AND CONTROLLED ENTITIES

In preparing this Statement, SRG consulted the Reporting Entities, and Controlled Entities to verify that the included information is relevant and accurate. These entities are subject to the ongoing governance and oversight of SRG. The Executive Leadership Team, Managing Directors of each Reporting Entity, and the Board of Directors, have been provided opportunity for input and feedback prior to final approval of the Statement. A declaration of principal governing body approval can be found in *Appendix 2* in accordance with the Act.

## 2.4 OUR TEAM OPERATIONS AND SUPPLY CHAIN

### 2.4.1 OUR TEAM

DIRECTLY EMPLOYED TEAM MEMBERS	CONTRACTED TEAM MEMBERS	UNION MEMBERS	COVERED BY ENTERPRISE AGREEMENT
14,305	317*	~4%**	74%

Note: Data as of 30 June 2021 unless otherwise noted.

\* Approximate number of team members in our distribution centres contracted through labour hire agencies, amounting to 57% of distribution centre team members as at 26th August 2021. This number fluctuates throughout the year to address demand requirements.

\*\* Excludes Macpac NZ (data unavailable due to different systems).

### 2.4.2 OUR BUSINESS OPERATIONS

#### STORES – AUSTRALIA AND NEW ZEALAND

TOTAL RETAIL STORES	SUPERCHEAP AUTO	BCF	rebel
698	327 <i>Australia and NZ</i>	142	153
MACPAC	ONLINE RETAIL CHANNELS	SUPPORT OFFICES	DISTRIBUTION CENTRES
76 <i>Australia and NZ</i>	4	4	8
COUNTRIES OF OPERATION			
3 <i>Australia, NZ and China</i>			

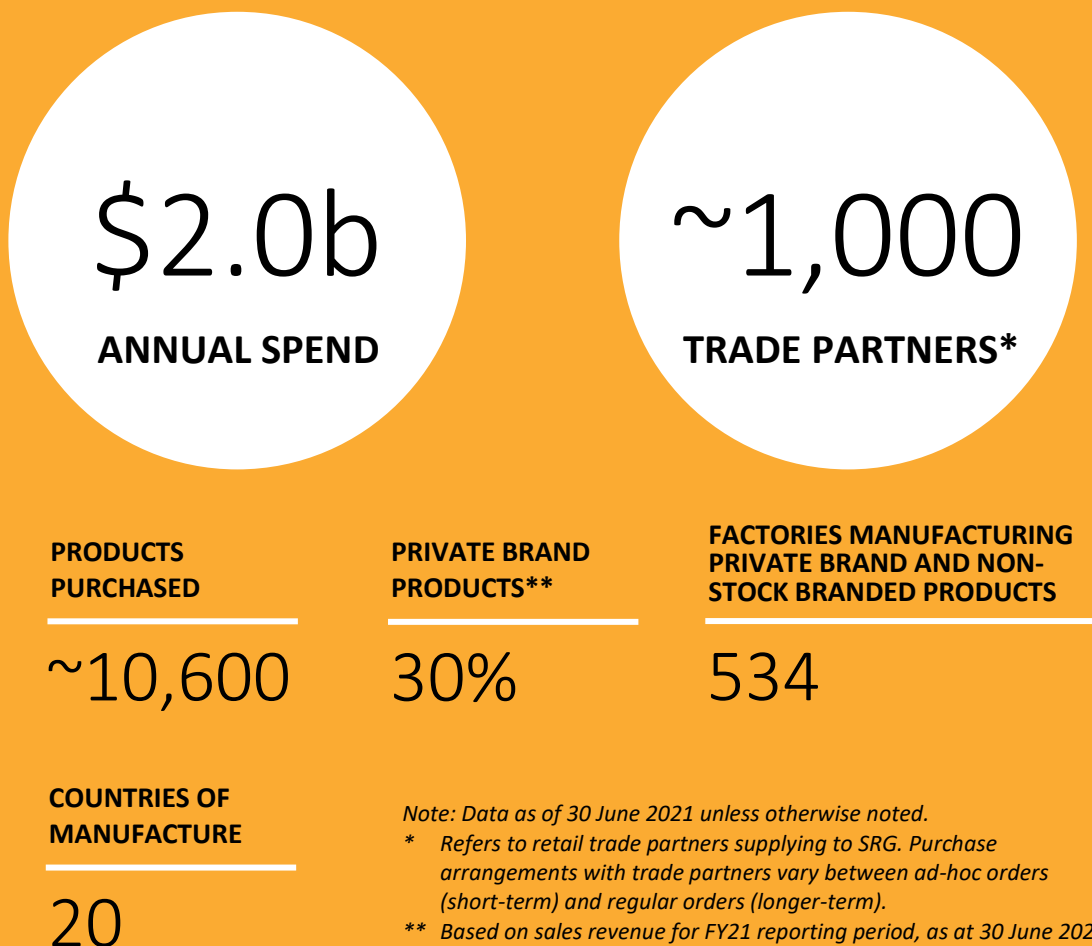
### 2.4.3 RETAIL PRODUCT SUPPLY CHAIN

Retail products are purchased via the following supply chain arrangements:

- Products directly sourced from factories (Direct Imports) and manufacturing partners through our China support office – mainly Private Brand goods; and
- Products sourced from with trade partners who manage their own supply chains.

During the reporting period, 85 per cent of our Private Brand and Direct Imports came from China. The remaining 15 per cent were sourced from 19 other countries. Further detail is listed under section 4.3.2 *Country risk*.

#### RETAIL PRODUCT SUPPLY CHAIN





#### 2.4.4 PRIVATE BRAND PRODUCTS

SUPERCHEAP AUTO	REBEL	BCF	MACPAC
39%	11%	35%	85%

*Note: data relates to the approximate percentage of Private Brand products, based on sales revenue, for FY21 reporting period.*

#### NON-STOCK PRODUCTS AND SERVICES SUPPLY CHAIN

Non-stock products and services include marketing and promotional materials, team member uniforms, capital expenditure, professional services, transport and logistics providers, and cleaning services, amongst others.

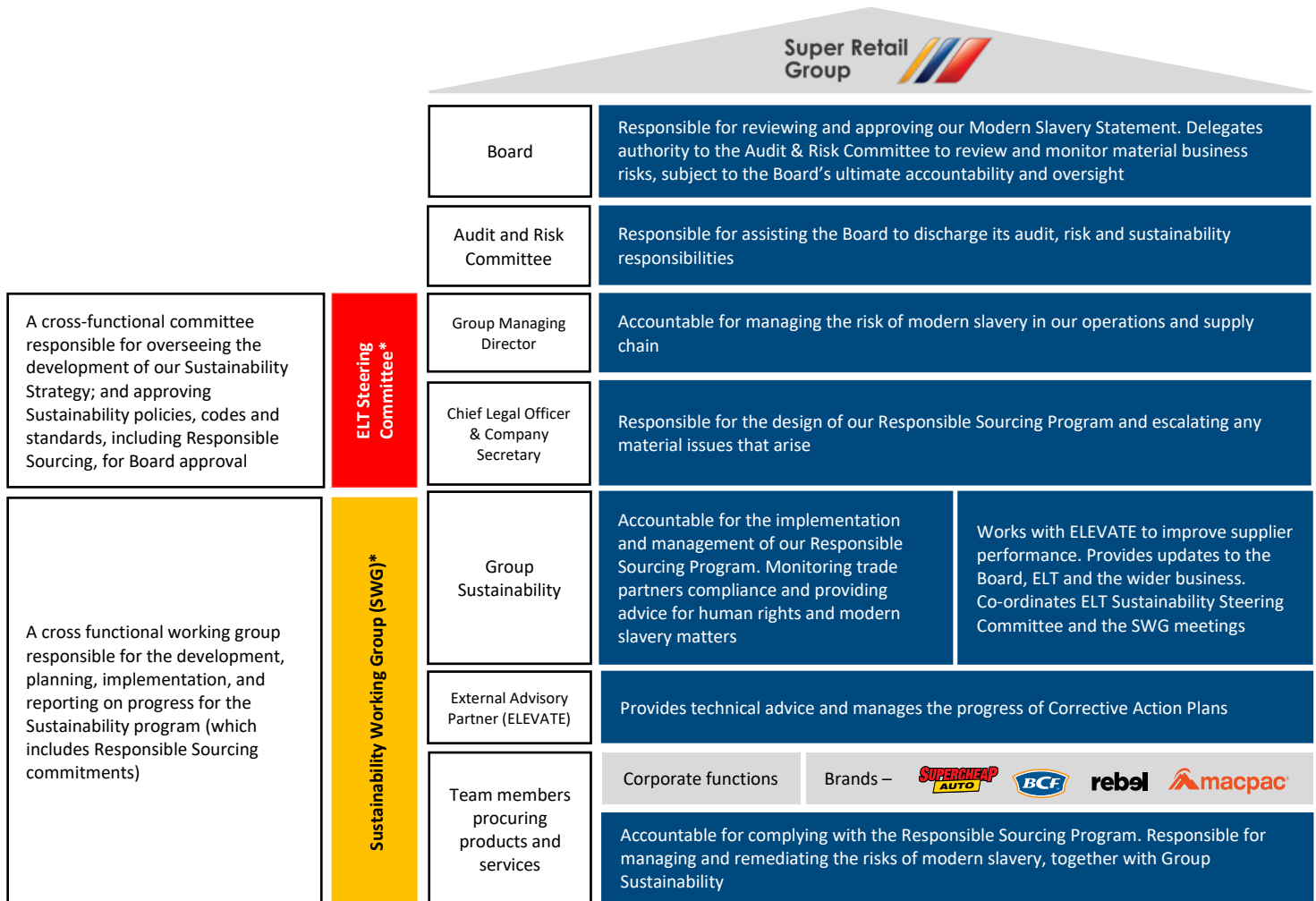


## 2.5 GOVERNANCE

Super Retail Group is committed to upholding human rights and fair working conditions for our Team Members, Trade Partners, Service Providers, and people in our Supply Chain. We aim to uphold human rights based on the principles of the following international guidance:

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

Our governance approach promotes ongoing consultation with the Brands and corporate functions on responsible sourcing issues, including modern slavery risk management. Outcomes are reported annually in our [Sustainability Report](#) and this Statement. A summary of our internal governance framework is outlined below.



\*Established in June 2021

### 2.5.1 POLICY FRAMEWORK

SRG has a number of policies and codes that together, articulate our values, and expectations of our Team Members, Service Providers and Trade Partners. The policies and codes listed below relate specifically to modern slavery risk and ethical behaviour generally, with the Responsible Sourcing Policy and Responsible Sourcing Code embodying SRG’s approach to modern slavery risk management (explained further in *section 6 Risk Management*). Each are subject to approval or oversight from the Board and its Committees, the CEO, or the Executive Leadership Team (ELT), as detailed in the table below.

POLICY OR CODE	CONTENTS AND PURPOSE	APPLIES TO SRG	APPLIES TO TRADE PARTNERS AND SERVICE PROVIDERS
<a href="#"><u>Code of Conduct*</u></a>	Sets out the expected standards of behaviour for business activities and outlines legal and ethical obligations.		
	Articulates expectations of Trade Partners and Service Providers 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.	✓	✓
<a href="#"><u>Anti-corrupt Practices Policy*</u></a>	Outlines our commitment to recognising, reporting, and upholding laws and regulations relating to bribery and corruption.	✓	✓
<a href="#"><u>Whistleblower Policy*</u></a>	Outlines for Team Members, Trade Partners, Service Providers and others, the mechanisms for reporting and investigating concerns about conduct suspected to be unethical, illegal, or contrary to our values. Concerns may be raised to the Integrity Officer in writing, by phone through the Integrity Line (for our China-based Team Members) or anonymously via ‘Whispli’ on <a href="https://superretailgroup.whispli.com/IntegrityLine">https://superretailgroup.whispli.com/IntegrityLine</a>	✓	✓
<a href="#"><u>Responsible Sourcing Policy*</u></a>	Provides a set of high-level expectations of Team Members, Trade Partners and Service Providers in relation to human rights, modern slavery and the environment drawing on international standards.  The Policy also references the Whistleblower Policy and relevant contact points.	✓	✓
<a href="#"><u>Responsible Sourcing Code*</u></a>	Provides detailed explanation of our monitoring programs, verification standards and expectations of Trade Partners and Service Providers. This includes additional requirements for sourcing cotton as a higher risk commodity.	✓	✓

<b>Responsible Sourcing Procedures**</b>	<p>Details SRG's processes to verify compliance with its Responsible Sourcing Policy and the expectations for Trade Partner and Service Provider compliance.</p> <p>There are separate procedures for factories (Trade Partners) and services (Service Providers). These also outline the definitions of risk as outlined by Group Sustainability and external advisors.</p>	✓	✓
<b>General Business Agreement**</b>	<p>Includes contractually binding agreement between Trade Partners, Service Providers and SRG to comply with the Responsible Sourcing Policy in relation to stock purchases.</p>	✓	✓
<b>Workplace Resolution Policy**</b>	<p>Sets out our commitment for resolution of workplace issues. This Policy may be used in conjunction with the processes outlined in the Whistleblower Policy.</p>	✓	N/A***
<b>Union Representation and Membership Policy**</b>	<p>Details our commitment to, and support for, freedom of association within SRG.</p>	✓	N/A***
<b>Managing Young Workers Policy**</b>	<p>Outlines minimum requirements and expectations to safeguard young workers (workers under 18 years of age) within SRG as they may be more vulnerable to modern slavery risks and exploitation.</p>	✓	N/A***
<b>Self-declaration **</b>	<p>A self-assessment that includes a self-declaration of compliance with our Responsible Sourcing requirements. Trade Partners and Service Providers are required to provide a signed self-declaration to the Group Sustainability Team, before commencement of business relationship. By signing the self-declaration, they agree to comply with our Responsible Sourcing Policy and Responsible Sourcing Code requirements. This is also referred to as a self-assessment. Refer to <i>section 4.2 Operations risk</i> for more information.</p>	N/A	✓

Notes: SRG sets the responsible sourcing policies and procedures for Reporting Entities.

\*These policies and codes are publicly available on our website at [www.superretailgroup.com.au](http://www.superretailgroup.com.au).

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

\*\*\*Similar requirements to Trade Partners and Service Providers are documented in our Responsible Sourcing Code.

## 3. NZ modern slavery legislation

In March 2021, Macpac joined several other New Zealand retailers to encourage the New Zealand Government to restrict the import of goods known to be produced using Forced Labour. SRG welcomes legislative efforts in Australia, New Zealand, and other jurisdictions to combat child and Forced Labour.

## 4. Modern slavery risk identification

### 4.1 HIGH-LEVEL RISK IDENTIFICATION APPROACH

Global estimates of the people currently subjected to modern slavery remain at concerning levels. Walk Free Foundation and the International Labour Organisation (ILO) estimated that approximately 40 million people are subjected to practices of modern slavery at any point in time. Of those, approximately 24.9 million people are thought to be subject to Forced Labour.<sup>1</sup> ILO estimates that 15 percent of people subject to Forced Labour are in the manufacturing industry. It is also widely believed that the effects of the COVID-19 pandemic have exacerbated modern slavery and worker vulnerability.

We review our risk profile for modern slavery on a regular basis (at least annually) to inform the actions in our Responsible Sourcing Program. The forms of modern slavery identified as most relevant to our Operations and Supply Chain are Forced Labour, Debt Bondage, Deceptive Recruitment practices and the Worst Forms of Child Labour.<sup>2</sup>

We consider inherent exposures across our Supply Chains and Operations to identify where the risks of modern slavery may be heightened by known factors. Those factors include the geographic location of a factory or service, the type of industry or commodity, or presence of specific workforce vulnerabilities.<sup>3</sup>

SRG also considers its potential relationship to modern slavery risks, in line with the UN Guiding Principles “Protect, Respect, and Remedy Framework”.<sup>4</sup> This acknowledges that businesses can directly cause, contribute to, or be directly *linked* to human rights risks and impacts. It is also important to

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<sup>1</sup> [Global Estimates of Modern Slavery](#), International Labour Organisation, 2017

<sup>2</sup> Definitions for these types of modern slavery can be found in the glossary

<sup>3</sup> [Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities](#), Australian Border Force, 2019

<sup>4</sup> [Implementing the United Nations “Protect, Respect and Remedy” Framework](#), United Nations Guiding Principles on Business and Human Rights, 2011

acknowledge that modern slavery *risk* refers to *risk to people*, not risk to our entity, as defined by the Act.

Practices such as Forced Labour are found to be more prevalent in certain industries and sectors, notably manufacturing. Although not a direct operation of our business, manufacturing is a core component of our Supply Chain. Manufacturing therefore constitutes our largest exposure to modern slavery risk.

SRG's assessment of risks to date has focussed on direct business relationships and the first tier of our Supply Chains, although some progress has been made beyond first tier by Macpac. While risks exist beyond these levels, management and oversight are complicated by layers of supply and reduced leverage. This further area of risk and opportunity will be considered in the refresh of our Sustainability Strategy, however, as a principle, we will continue to focus our efforts where we believe we can have the greatest positive impact.

## 4.2 OPERATIONS RISK

In FY21, we considered modern slavery risk in our Operations in relation to our Team Members and the use of contracted services and labour. While we have operations in New Zealand and China, Service Providers in these countries are of a significantly smaller scale than in Australia. We intend to incorporate risk consideration for these Service Providers as our Responsible Sourcing Program matures.

### 4.2.1 OWN OPERATIONS AND CONTRACTED SERVICES

Most of our Team Members are employed directly by SRG. During FY21, we employed 14,305 Team Members, of which 74 percent were covered by enterprise agreements. The remainder of Team Members were engaged on individual employment agreements, in accordance with relevant workplace laws. The standards, obligations and worker protections required by Australian and New Zealand labour laws result in a relatively lower risk of modern slavery within our Team Member operations.

In FY21 we focused on our Australia and New Zealand Operations risk from the use of contracted services and labour, including labour hire firms. As of 26 August 2021, approximately 57 percent of workers (317) at our distribution centres were contracted through labour hire firms. Having regard to issues identified in the Australian parliamentary inquiry into modern slavery, and relevant cases investigated by the Australian Fair Work Commission, the following characteristics present heightened risks for services in Australia and New Zealand:

- Use of labour brokers and third-party labour providers;
- Higher prevalence of migrant, overseas or other vulnerable workers;
- Multi-layer subcontracting models; and
- Franchisee business models.

Considering the above risk factors, the following table outlines the risk rating of service types used in our Operations:

SERVICE TYPE		
Office cleaning	HIGH	
Direct mail marketing – catalogues		
Labour hire		
Logistics (transport/ freight)		
Physical security		
IT services (if overseas workers are used)		
Fitness equipment installation		
Offshoring services (i.e. warehousing)		
Energy supply		LOW
Insurance		
Professional services		
Travel		
Waste disposal		
Facilities maintenance		

### 4.3 SUPPLY CHAIN RISK

We continue to address risk according to the criteria set out in our Responsible Sourcing Code. Our regular re-assessment of risks for the first tier of the Supply Chain includes the following factors:

- our proximity to, and business relationship with, the factory; and
- inherent risk defined by the country of manufacture according to the Corruption Perceptions Index (CPI) rating.

In addition to the above, heightened risk is noted beyond the first tier for products that are made using cotton. Cotton is higher risk due to the reported links to child and Forced Labour across central Asia including Uzbekistan, Turkmenistan, and Xinjiang UAR.

We apply these risk considerations in the same manner for retail and non-stock products such as uniforms and shopping baskets. Retail and non-stock products can be sourced nationally and internationally under Private Brands, or under the consumer brands supplied by our Trade Partners.

### 4.3.1 PROXIMITY TO SUPPLY

SRG aims to focus its due diligence efforts where they will have the most impact. We do this by focusing on those business relationships where we have more influence on, and proximity to, the manufacture of the goods. This allows us to focus on instances where we might have the potential to cause or contribute to modern slavery practices in our Supply Chains, as outlined earlier by UNGPs.<sup>5</sup>

We have assessed SRG's ability to influence its Supply Chain is highest in relation to Private Brand products, Direct Imports, and non-stock products with corporate branding.

### 4.3.2 COUNTRY RISK

The key metric used by SRG to assess risks inherent to country of manufacture is the Corruption Perceptions Index (CPI). The CPI is an index which ranks 180 countries according to assessments and surveys of perceived levels of public sector corruption, which may include abuse of power for private gain. A CPI rating of zero is considered highly corrupt, and 100 is considered very clean. The overall average country rating in 2020 was 43.

We update country risk annually according to the CPI. We consider countries with a CPI rating of less than 70 to have a higher risk of human rights violations, weaker protections for workers, and inadequate governance and enforcement of the rule of law. The CPI is then cross-referenced with other credible data sources such as the [Global Slavery Index](#) and the [US Department of Labor List of Goods Produced by Child Labor and Forced Labor](#).

At the end of FY21, our retail and non-stock products were sourced from 534 active factories located across 20 countries. The table below identifies the manufacturing country, CPI rating, and number of factories in scope of the Responsible Sourcing Program for the period ended 30 June 2021.

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<sup>5</sup> As guided by [the "Protect, Respect and Remedy" Framework](#)





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

### LOW-RISK (above 70) \*\*

MANUFACTURING COUNTRY	CPI rating	Factories in scope*
Australia	77	29
Netherlands	82	1
New Zealand	88	6

### HIGH-RISK (below 70) \*\*

MANUFACTURING COUNTRY	CPI rating	Factories in scope*
Cambodia	21	1
Philippines	34	1
Thailand	36	4
Vietnam	36	7
Indonesia	37	4
India	40	4
Turkey	40	1
China	42	454
Hungary	44	1
South Africa	44	1
Malaysia	51	2
Italy	53	2
Georgia	56	1
South Korea	61	3
Taiwan	65	10
USA	67	1
Fiji	No rating available	1

\*Number of factories relate to our Private Brand products, Direct Imports and licensed brands that SRG is responsible for manufacturing. These are first-tier factories.

\*\* High-risk refers to countries with a CPI rating of less than 70; Low risk refers to countries with a CPI rating of 70 or greater. The CPI rating is used as a minimum threshold for our assessment of country risk.

### 4.3.3 OTHER RISK

In addition to assessing country risk using the CPI, we acknowledge that other vulnerabilities may increase the risks of modern slavery in relation to a particular commodity (such as cotton) or within a particular geography (such as heightened use of migrant labour). In light of this, our Group Sustainability team worked with an external advisor in FY21 to assess our risk processes and potential exposure to these vulnerabilities. The assessment found that SRG has heightened risks in Malaysia, Taiwan, and Thailand due to higher migrant worker populations.

They also identified potential for the Responsible Sourcing Program to incorporate further guidance for Trade Partners regarding recruitment fees, which are often used in practices of worker exploitation under varying degrees of legality. We are reviewing and considering our external advisor's recommendations which will be incorporated into our Responsible Sourcing Program, as appropriate.

### 4.3.4 FORCED LABOUR IN CHINA

In response to concerns raised by the Australian Strategic Policy Institute in February 2020,<sup>6</sup> we continued to monitor the situation in Xinjiang Uighur Autonomous Region (UAR), China, and our own Supply Chain throughout FY21. We checked our factory list and confirmed that none of our active Private Brand factories are in Xinjiang UAR. Team Members responsible for the procurement of products have been informed of the risks and controls associated with factories operating in Xinjiang UAR. In one case we identified a factory that was not in Xinjiang UAR but had potential links to the region through a parent company. We engaged a specialist third party to audit the factory to verify this information. The auditors did not identify a direct link to the Xinjiang UAR during the factory audit but did find inconsistent records regarding recruitment of workers. We are working with specialist third party advisors to take appropriate action. In addition, we continue to learn more about our cotton supply chains, as described below in section 5. *Case study: cotton.*

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<sup>6</sup> [Uyghurs for Sale](#), Australian Strategic Policy Institute, 2020



## 5. CASE STUDY:

# COTTON

Cotton remains a key risk area for modern slavery in our Supply Chain, as apparel accounted for approximately 53 per cent and 64 per cent of our Macpac and rebel Private Brand product range in FY21 respectively. We highlighted this risk focus in our FY20 Modern Slavery Statement due to the increased concerns and global attention on alleged Forced Labour in the Xinjiang UAR. This region in China is estimated to produce at least 20 percent of global cotton supply.<sup>7</sup> In addition to Xinjiang UAR, Uzbekistan and Turkmenistan have been longstanding concerns within the industry – with reports of state-sanctioned Forced Labour and widespread use of child labour. The agriculture, forestry and fishing industries are estimated by ILO to be the source of 11 percent of global Forced Labour exploitation, another key indicator of risk.<sup>8</sup>

### MACPAC FAIRTRADE

During FY21, Macpac calculated that cotton accounted for six percent of bulk fabric purchases across their apparel and accessories range. Fairtrade certified cotton accounted for 85 per cent of Macpac's cotton usage across apparel and equipment ranges. Macpac is currently working towards transitioning all cotton towards Fairtrade certified. Fairtrade certified producers and processors are externally verified for compliance against the Fairtrade standards, which include measures to promote gender equality, fair pay, and to mitigate modern slavery. Fairtrade producers receive a fairer price above the fluctuating market price, thanks to the 'Fairtrade Minimum Price'. In addition, these producers have access to the 'Fairtrade Premium', a fixed income source that provides producers with additional means to invest in improving their businesses and benefits to their community.

### OTHER BRANDS

We aimed to assess the amount of cotton used in rebel, BCF and Supercheap Auto Private Brand products during FY21. While we made progress in better understanding this area of our Supply Chain, work in this area continues.

<sup>7</sup> According to the [US Department of Agriculture](#) and concerns amplified by the [ASPI](#)

<sup>8</sup> [Global Estimates of Modern Slavery](#), International Labour Organisation, 2017

## 6. Risk management

### 6.1.1 RISK MANAGEMENT APPROACH

We identify risks across our Operations and Supply Chain with the ongoing intention to mitigate adverse human rights risks and impacts. In particular, the Responsible Sourcing Code prohibits the use of Forced Labour, Debt Bondage, Deceptive Recruitment, and child labour. Our Responsible Sourcing Program and relevant policies, in conjunction with our processes for remediation, existing grievance reporting mechanisms, and capability building activities, form our approach to managing and mitigating modern slavery risks. The Responsible Sourcing Code requires Team Members and Trade Partners to:

- Source products in a sustainable and responsible way;
- Respect human rights and fair working conditions; and
- Reduce environmental impact.

As outlined above in section 2.5 *Governance*, the requirements applicable to our Responsible Sourcing Program are documented in our [Responsible Sourcing Policy](#), [Responsible Sourcing Code](#) and Responsible Sourcing Procedures, and are supported by other SRG codes and policies. Consistent with our FY20 Statement, new contracts and contract renewals utilising our General Business Agreement include our standard responsible sourcing clause which requires Trade Partners and Service Providers to comply with our Responsible Sourcing Policy and Responsible Sourcing Code. Compliance and monitoring of this requirement across SRG are ongoing priorities; as is exploring how we can best communicate our Responsible Sourcing requirements to existing Trade Partners who are not under contractual arrangements.

We continue to work with team members across the Group to improve their understanding of our expectations. Raising awareness will help to improve compliance when negotiating new contracts and contract renewals.

As defined in the Commonwealth Guidance for reporting entities, an important aspect of identifying modern slavery is acknowledging the connection to other practices of workplace and labour exploitation. ILO has outlined the following indicators of modern slavery, recognising that some of these are enough to constitute Forced Labour, while others are significant warning signs:

1. Abuse of vulnerability;
2. Deception;
3. Restriction of movement;
4. Isolation;
5. Physical and sexual violence;
6. Intimidation and threats;

7. Retention of identity documents;
8. Withholding of wages;
9. Debt Bondage;
10. Abusive working and living conditions; and
11. Excessive overtime.

In line with Commonwealth Guidance, SRG's Responsible Sourcing program considers modern slavery on a spectrum with other forms of labour exploitation, and recognises that these other forms of exploitation could be signs that severe practices like Forced Labour may be occurring. Our Due Diligence Process and supplier management practices reflect a commitment to identifying and addressing both these and other human rights abuses. We outline our efforts to promote compliance with the Responsible Sourcing Code and its relevant standards in the sections below.

#### 6.1.2 OPERATIONS RISK MANAGEMENT

Under our Responsible Sourcing Procedures, Service Providers are required to complete a self-assessment that includes a self-declaration of compliance with our Responsible Sourcing Code (self-declaration).<sup>9</sup> The responses provided in the self-declaration help us assess the risk of modern slavery in relation to the provider and the services they provide. If the risk is considered high, we examine publicly available documents and may complete an interview with the Service Provider. Supporting documents such as participation in certification schemes and applicable policies and procedures may also be requested. Depending on the outcome of the review, the Service Provider may be subject to a Responsible Sourcing Audit.

During FY21, we assessed 103 Service Providers across various service types against our Responsible Sourcing Code. All of these Service Providers completed self-declarations. Seven of these Service Providers had follow-up interviews and five were required to provide an audit report or certification. The assessments did not identify any breaches of our Responsible Sourcing Code or other human rights concerns.

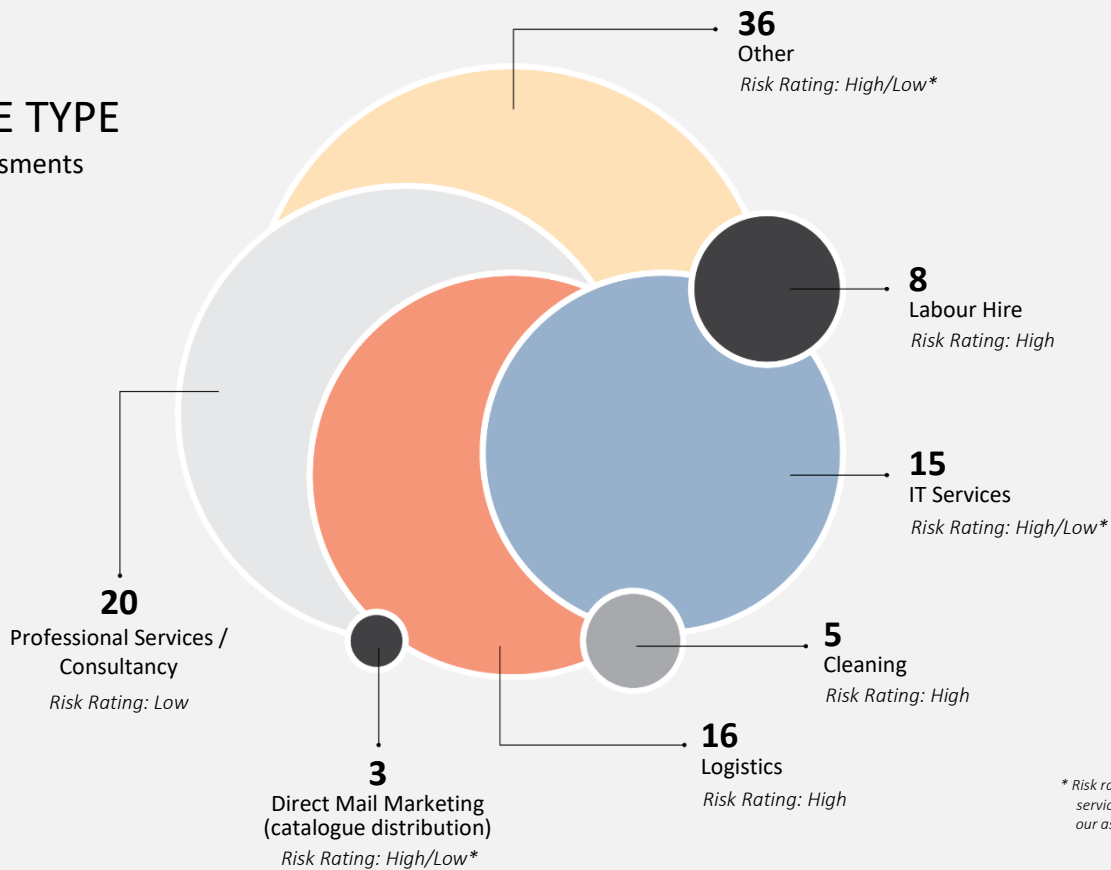
SRG recognises StaffSure and Cleaning Accountability Framework (CAF) certification as good practice for high-risk Service Providers. Both standards uphold and audit Service Providers according to standards of ethical integrity, ensuring ongoing compliance to safety and worker protections. Two (out of eight) of our labour hire Service Providers have StaffSure certification.

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<sup>9</sup> FY21 this process excludes Macpac, who will introduce this during FY22.

## SERVICE TYPE

No. of assessments  
by sector



ACTING WITH  
INTEGRITY

\* Risk ratings varied amongst service providers, based on our assessment results and residual risk.

### 6.1.3 SUPPLY CHAIN RISK MANAGEMENT

In section 4. *Modern slavery risk identification*, we have outlined our current approach to considering risk factors in our Supply Chain. These include our proximity to the manufacture of the goods and country risk ratings, which form the scope for our efforts in managing risk with our Trade Partners. Where SRG has high proximity, Trade Partners considered to operate in a high risk country are required to:

- Disclose factories being used to manufacture the products, including name, address, and factory contact;
- Complete a third-party social audit according to our accepted requirements<sup>10</sup>; and
- Complete Corrective Action Plans for any identified non-conformances.

We have incorporated several allowances to reduce duplication and audit fatigue, ensuring we are not placing undue burden or unnecessary costs on suppliers. We accept third-party audit reports and certification conducted by accredited auditors, in accordance with the following internationally recognised programs:<sup>11</sup>

- Sedex SMETA 2 or 4-Pillar audits;
- Social Accountability International (SA8000) audit or certification;
- Worldwide Responsible Apparel Production (WRAP) Certification;

<sup>10</sup> Exemptions are given from audit protocol on a discretionary basis for orders with a value below \$10K USD and must be approved by Group Sustainability based on risk. This exemption cannot be made more than once biennially.

<sup>11</sup> Audit reports must include details of non-conformances and must not be older than nine (9) months. Certifications must have a minimum of three (3) month validity when provided.

- amfori Business Social Compliance Initiative (BSCI) audits;
- International Council of Toy Industries (ICTI) Ethical Toy Program Certification;
- Responsible Business Alliance (RBA) audits;
- Fair Labour Association (FLA) monitoring reports;
- ILO Better Work Programme; and
- Other audit reports issued by SAAS accredited or amfori-BSCI approved audit companies that meet the requirements of our Responsible Sourcing Code.

Group Sustainability reviews audits and certifications prior to order placement with a factory and assigns a rating of 'Approved', 'Conditionally Approved', 'On Probation' or 'Not Approved'. Rating definitions can be found in *Appendix 1 - Glossary*. 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, without an acceptable explanation, have their rating downgraded.

Trade Partners that fall outside the risk criteria set out in our Responsible Sourcing Code (as outlined in section *4.3 Supply Chain risk*) 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 Responsible Sourcing Code.

#### **6.1.4 CORRECTIVE ACTION PLANS**

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

We require Trade Partners and factories to remediate issues identified in Corrective Action Plans within an appropriate timeframe, depending on the nature and severity of the non-conformance. Most non-conformances can be closed with photographic evidence or provision of electronic copies of documents, records and plans. However, an on-site re-audit may be required to verify some corrective actions.

Factories can only receive an Approved status once critical non-conformances have been addressed. Exceptions may apply when the factory can provide a genuine reason and demonstrate continuous improvement. Critical non-conformances are those that present significant risk to the workers' safety and rights, which can often be legal breaches or risks to the environment. Examples include potential Forced Labour indicators, failure to provide minimum wage or adequate overtime pay, failure to maintain a safe workplace, and illegal or hazardous management of waste, water, and emissions.

### 6.1.5 FY21 FACTORY PERFORMANCE

At the end of FY21, we had 534 active factories in 20 countries. This includes 66 new factories, all of which were assessed against our Responsible Sourcing Code. Based on our risk rating, 492 of our active factories were subject to our Responsible Sourcing Audits, 90 per cent of these factories were audited in the past two years.

We identified some critical breaches of our requirements relating to modern slavery issues through our audit program in FY21, including:

- An underaged worker employed at one factory in China;
- Migrant workers being charged recruitment fees in Thailand and Taiwan;
- Labour agency withholding migrant worker documentation in Taiwan; and
- Trade Partners not disclosing their full lists of factories in Taiwan.

In all cases we have either resolved the issue or are working with the Trade Partners to address any outstanding issues.



*Key areas of improvement identified in the various audit reports include those relating to health and safety, working hours, wages, payroll, and social insurance. We have agreed Corrective Action Plans in each case and are working closely with our Trade Partners and factories to resolve critical issues.*

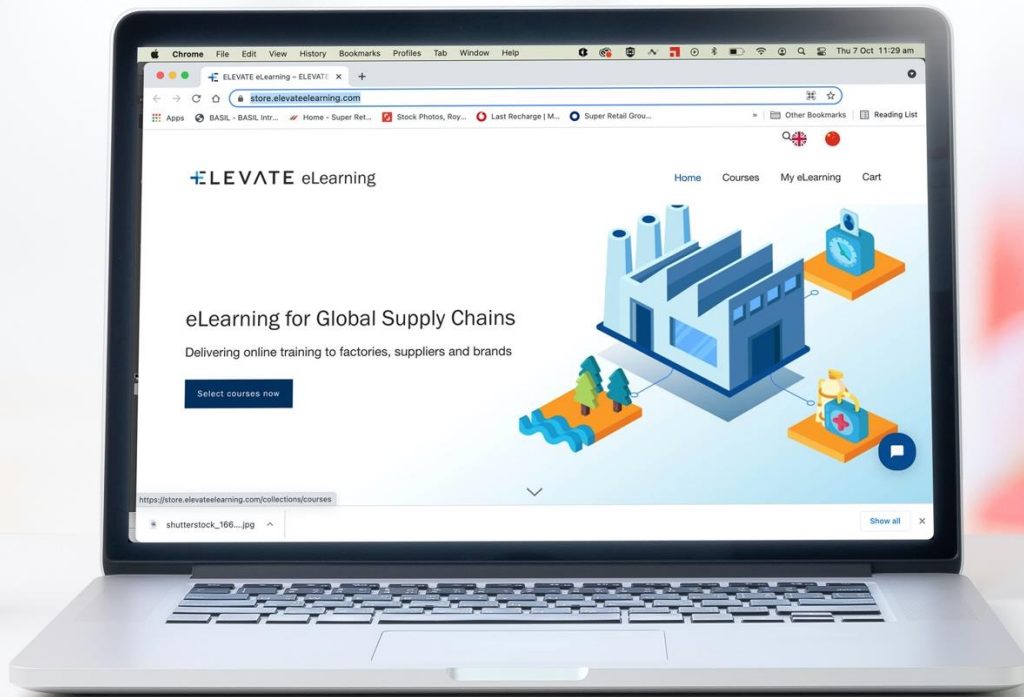


## 6.2 GRIEVANCE REPORTING MECHANISMS

As outlined in section 2.5.1 *Policy framework*, our [Whistleblower Policy](#) outlines the protection and support provided by SRG to enable whistleblowers to raise concerns, including those related to human rights and modern slavery. To support this, SRG has established the following mechanisms:

- Integrity Officers who oversee the application of the policy and the protection of whistleblowers;
- The Audit and Risk Committee is provided with quarterly reporting on whistleblowing, and oversees the effectiveness and governance of the whistleblower program;
- Various reporting channels, including post, email, and ‘Whispli’ (a market-leading online platform that uses contemporary technology) to facilitate anonymous and confidential reporting; and
- A dedicated telephone line service to facilitate anonymous and confidential reporting in English or Mandarin for our China-based Team Members and Trade Partners.

While Responsible Sourcing audits include verification of grievance reporting mechanisms, we are reviewing the efficacy of these mechanisms and considering other options. SRG has been exploring a more targeted approach to factory worker vulnerabilities with an external advisor. Refer to section 4.3.3 *Other risk* for more information.



## 7. Capability building

We work collaboratively with our Trade Partners, Service Providers and Team Members to improve conditions in our Operations and Supply Chains. One way we do this is by providing information materials and having regular communications with them.

We partner with ELEVATE to provide e-learning modules to support our suppliers' understanding of our expectations for working conditions. The e-learning topics include health and safety, workers' rights, social insurance and working hours. During FY21, representatives from 164 factories completed e-learning modules. This is in addition to support offered through Macpac's Trade Partner Training Program, which includes topics on work health and safety, modern slavery and worker voice.

In April this year, we also took the opportunity to emphasise the importance of our Responsible Sourcing Program and supplier standards during our Trade Partner conference in China.

We also delivered responsible sourcing training to 115 Team Members involved in the procurement of products and services.

Throughout FY21, our Group Sustainability team remained an accessible contact for Trade Partners, Service Providers and Team Members, with a dedicated inbox to assist with concerns or queries.

THINK  
WORK  
HOME SAFE

SAFETY  
STARTS  
WITH  
YOU

These are our safety  
rules while on site



Feeling unwell?  
Please do not enter.



Keep a safe distance  
from other people.



Wash your hands  
with soap and water.



Clean and disinfect  
the areas you use.

Super Retail  
Group



KEEPING OUR VALUED  
COMMUNITIES SAFE

## 8. Responding to COVID-19

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

### OPERATIONS

During FY21, we continued to strictly adhere to the advice and guidance of governments and health authorities across Australia, New Zealand and China to keep our team and others safe through the COVID-19 pandemic. We have maintained a range of measures including enhanced hygiene controls, 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. We also created and distributed a COVID-19 operations guide, which includes mandated government controls, risk assessments, enhanced cleaning methods, mental wellbeing, remote working guidance, incident response and government travel restrictions.

### SUPPLY CHAIN

SRG acknowledges the increased vulnerabilities that the COVID-19 pandemic has placed on Supply Chains and workers. In addition to granting time extensions to assist Trade Partners and factories with the completion of audits and Corrective Action Plans, we continued to support them by honouring orders placed, where possible.

## 9. Assessing our effectiveness

SRG undertakes a range of actions to monitor the implementation of our programs of work. The governance frameworks outlined in *section 2 Our business* aim to support accountability for program delivery, program quality and the achievement of our overall commitments and targets. SRG works with various external experts to ensure we have specialist advice, and a sound understanding of industry expectations and market practice. We have specifically sought advice to generate recommendations for improvement and to support us with continuous improvement in our approach.

The table below outlines some of our efforts to monitor our progress against our planned actions and objectives during the reporting period, and to assess whether our approaches are relevant and effective.

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### GOVERNANCE

#### Sustainability Working Group (SWG) and refresh of our Sustainability Strategy

Established in June 2021, the SWG is a group of cross-functional Team Members from corporate and each Brand. It is the responsibility of the SWG to oversee the functioning of business-wide updates and changes to SRG's sustainability strategy, including our Responsible Sourcing Program. The SWG meets monthly to discuss the effectiveness of our strategy and any improvements that can be made. These opportunities are then escalated to the ELT Sustainability Steering Committee for action. Refer to page 10 of our [2021 Sustainability Report](#) to read more about our Sustainability Strategy.

A program of work to review and refresh our Sustainability Strategy was initiated in FY21, and includes the engagement of an external advisory firm to benchmark SRG's sustainability performance against industry expectations. This work will help us to continue our efforts to identify how we can deploy our resources to make the most impact.

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### RISK IDENTIFICATION

#### Training

We continue to deliver regular and targeted Responsible Sourcing training to Team Members involved in procurement activities where modern slavery risk may be present. This enables our Team Members to better implement our policies and identify risks in their day-to-day roles. In FY21, we delivered Responsible Sourcing training to 115 Team Members involved in the procurement of products and services on behalf of SRG.

The training also allows us to improve the program through team members feedback.

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### RISK MANAGEMENT

#### Responsible Sourcing KPIs

Assessing the efficacy of the Responsible Sourcing Program and its relevant Key Performance Indicators is a work-in-progress. Group Sustainability currently verifies the extent to which our contracted factories maintain or exhibit an improvement of audit results through the completion of re-audit cycles and Corrective Action Plans.

#### Grievance reporting mechanisms

The grievance reporting mechanisms in place facilitate anonymous and confidential reporting. They are intended to provide opportunity for transparency and allow workers to report complaints without fear of reprisal. Such reports are an important measure of the effectiveness of our Responsible Sourcing Program. Through our work with external advisors, we continue to look for opportunities to improve our grievance reporting mechanisms. While no concerns from Trade Partner or Service Provider workers were raised with SRG during FY21, we recognise that this is not an indication of the absence of exploitation.

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## **CAPABILITY BUILDING**

### **Trade Partner e-learning**

We track the completion of the e-learning modules deployed by ELEVATE. During FY21, representatives from 164 factories completed e-learning modules.

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## **DISCLOSURE**

### **Modern Slavery Statement gap analysis**

During the preparation of our inaugural Modern Slavery Statement for FY20, Group Sustainability engaged an advisory firm to conduct a gap analysis of our drafted Statement and related modern slavery risk management processes. We prioritised the recommendations that were most impactful to our business.

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## 10. FY22 and beyond

Our progress against the commitments made in our FY20 Statement have been reported on throughout this Statement. We remain committed to improve business practices and our Responsible Sourcing Program to identify and remediate modern slavery risks in our Operations and Supply Chain and, accordingly, we will continue to:

- refine our approach to managing the risks of modern slavery in our Operations and Supply Chain;
- build Trade Partner and Team Member capabilities;
- improve mechanisms to measure the effectiveness of our Responsible Sourcing Program;
- identify opportunities for collaboration with industry and non-profit organisations; and
- improve how we describe the risks of modern slavery in our Operations and Supply Chain, such as issues related to high risk products and transparency.

# 11. Appendix 1 – Glossary

## 11.1 TERMS AND ABBREVIATIONS

Term	Definition
Act	Modern Slavery Act 2018 (Commonwealth).
Australian Strategic Policy Institute (ASPI)	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.
CPI	Corruptions Perception Index.
Controlled Entities	The subsidiaries, controlled entities, and investments of the Reporting Entities.
Corrective Action Plan	A plan issued by SRG setting out non-conformances of a factory with our Responsible Sourcing Policy and Responsible Sourcing Code, the date by which evidence must be provided to SRG demonstrating corrective actions have been completed and non-conformances remediated.
Debt Bondage	Payment of excessive recruitment fees or associated costs, and retention of documents.
Deceptive Recruitment	False promise of a job, benefits, or conditions.
Direct Imports	Products we source or import direct from the factories which manufacture them.
Due Diligence process	The process by which we evaluate and address risks.
Executive Leadership Team (ELT)	SRG’s CEO and his direct reports.
Foghorn	Foghorn Holdings Pty Ltd.
Forced Labour	Restrictions of movement, intimidation, threats, including human trafficking.
ILO	International Labour Organisation.
Operations	The operations of SRG.
Private Brand	Products manufactured specifically for our Brands, using product brand names owned or licensed by SRG.
Rebel Group	Rebel Group Limited.
Rebel Sport	Rebel Sport Limited.
Reporting Entity	SRG follows the definition of a reporting entity as outlined by the Act: Any entity with a consolidated annual revenue of at least AU\$100 million over the twelve-month reporting period and is at any time in the reporting period either an Australian entity or a foreign entity carrying on business in Australia.

Responsible Sourcing Audit	An audit we may require of a Trade Partner or Service Provider following consideration of our Due Diligence process.
Responsible Sourcing Code	Sets out specific criteria for our Trade Partners to comply with the Responsible Sourcing Policy regarding business integrity; human rights and fair working conditions; environmental management; and sustainable sourcing.
Responsible Sourcing Policy	Provides a set of high-level expectations of Team Members, Trade Partners and Service Providers in relation to human rights, modern slavery and the environment, drawing on international standards.
Responsible Sourcing Procedures	Sets out the processes used by SRG to verify compliance with its Responsible Sourcing Policy.
Service Provider	Providers of services to SRG, such as information technology, cleaning and security services.
SRG	Super Retail Group Limited and its Reporting Entities.
Statement	This Modern Slavery Statement.
Supply Chain	The products and services (including labour) that contribute to our retail and non-stock products and services. Includes products and services sourced in Australia or overseas and extending beyond our direct suppliers, including indirect suppliers for raw materials, manufactured componentry and freight.
Team Members	All employees of SRG.
Trade Partners	<ul style="list-style-type: none"> <li>• Trade Partners, including agents and factories which supply or manufacture SRG's Private Brand products;</li> <li>• Factories directly contracted by SRG to manufacture products; and</li> <li>• Trade Partners and factories which supply or manufacture non-stock products to/for SRG.</li> </ul>
Worst Forms of Child Labour	Where children are engaged in hazardous work including night work, work with machinery and chemicals.
Xinjiang UAR	Officially Xinjiang Uyghur Autonomous Region, a region in the north-west of the People's Republic of China.

## 11.2 RESPONSIBLE SOURCING STATUS DEFINITIONS:

Rating	Description	Effect of Rating
<b>Approved</b>	The factory has no critical but some major and minor non-conformances.	An order can be placed with the factory.
<b>Conditionally approved</b>	The factory has some critical non-conformances (excluding child and Forced Labour) as well as major and minor non-conformances.	An order can be placed with the factory. Group Sustainability will issue a Corrective Action Plan to the factory including completion timeframes.
<b>On probation</b>	Renewed audit: repeated critical non-conformances. Conditionally approved factory: critical non-conformances overdue by 3 months OR audit renewal over 30 days overdue.	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.
<b>Not approved</b>	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).	Orders must not be placed. Audit/Re-audit is required before placing any orders.



## 12. Appendix 2 – Modern Slavery Act 2018 (Cth) Statement Annexure

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

### 12.1 PRINCIPAL GOVERNING BODY APPROVAL

This Modern Slavery Statement was approved by the principal governing body of Super Retail Group Limited as defined by the *Modern Slavery Act 2018 (Commonwealth)* (“the Act”)<sup>12</sup> on behalf of all reporting entities specified in the Statement on 24 November 2021.

### 12.2 SIGNATURE OF RESPONSIBLE MEMBER

This modern slavery statement is signed by a responsible member of the Super Retail Group Limited Board of Directors as defined by the Act<sup>13</sup>:



**Anthony Heraghty**  
Group Managing Director and Chief Executive Officer

<sup>12</sup> Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.

<sup>13</sup> Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorized to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the Corporations Act 2001—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.

### 12.3 MANDATORY CRITERIA

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Requirements of Modern Slavery Act 2018	Sections & Page Reference
1. Identify the reporting entity.	2.3 Reporting entities Page 5
2. Describe the reporting entity's structure, operations and supply chains.	2 Our business Page 4-12
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	4 Modern slavery risk identification Page 13-18
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	6 Risk management Page 20-25
5. Describe how the reporting entity assesses the effectiveness of these actions.	9 Assessing our effectiveness Page 28-29
6. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	2.3.1 Consultation with owned and controlled entities Page 6
7. Any other information that the reporting entity, or the entity giving the statement, considers relevant.	3 NZ Modern Slavery Legislation Page 13 8 Responding to COVID-19 Page 27 10 FY22 and beyond Page 29  <a href="#">2021 Sustainability Report</a>

Super Retail  
Group



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