

## Modern Slavery Statement 2020

This statement has been prepared and published in accordance with the Modern Slavery Act 2018 (Cth). It sets out the steps taken by The Reject Shop Limited (ABN 33 006 122 676) (“TRS” or the “Company”) during the year ending 30 June 2020 to prevent modern slavery in its business operations and supply chain.

Introduction	<p>TRS knows that slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, human trafficking and deceptive recruiting for labour or services (“Modern Slavery”) is a global and growing issue given the rapid rise in global migration, existing in every region in the world and in every type of economy, whether industrialised, developing or in transition. No sector or industry can be considered immune or untainted.</p> <p>TRS is committed to respecting human rights and implementing policies, procedures and internal checks to eradicate any form of Modern Slavery from its operations and supply chain. We all have a responsibility to be alert to the risks, however small, in our business and in the wider supply chain. TRS team members are expected to report concerns, using the appropriate reporting channels, and management are expected to act upon them.</p>
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Reporting entity, our business structure, operations and supply chain	<p>The Reject Shop Limited ABN 33 006 122 676 is a listed company, and our shares are quoted on the Australian Securities Exchange (ASX).</p> <p>TRS operates in the discount variety retail sector in Australia, with its head office at 245 Racecourse Road, Kensington, Melbourne, Victoria, serving a broad range of value-conscious consumers who are attracted to low price points, convenient shopping locations and the opportunity to purchase a bargain.</p> <p>We offer a wide variety of general consumer merchandise in over 354 leasehold retail stores Australia-wide (as at March 2021), employing over 4,600 people, with a particular focus on everyday needs (such as toiletries, cosmetics, homewares, personal care products, hardware, basic furniture, household cleaning products, kitchenware, confectionary and snack food) and lifestyle and seasonal merchandise (such as seasonal gifts, cards and wrap, toys, leisure items and home decorations).</p> <p>TRS aims to be the most trusted and respected retailer in Australia. To achieve this TRS is committed to conducting and managing our business in a manner that reflects our high ethical and moral values, while ensuring Australians never have cause to question our quality or price.</p> <p>For many years we have sourced our products from a variety of locations nationally and internationally. Inherent in our practices has been the objective of sourcing product from countries which we believe support workplace safety and ensure appropriate employment conditions are in place (including fair pay). Similarly, we aim to source from local suppliers that maintain appropriate governance practices to ensure employment rights are upheld.</p>
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Risks of Modern Slavery practices in our operations and supply chain	<p>We have an international supply chain in which we do not own or operate factories, and we are rarely the largest customer of an individual factory. We recognise that we have a responsibility across our supply chain to ensure our goods are made in an ethical, legal and responsible manner.</p> <p>As TRS sources the majority of its general consumer merchandise from several countries that are considered to have high human rights risks, TRS has identified that our most salient human rights risks are as follows:</p> <ul style="list-style-type: none"> <li>• Labour rights (human rights) including: <ul style="list-style-type: none"> <li>○ forced or compulsory labour</li> <li>○ wages and benefits</li> <li>○ work hours</li> <li>○ child labour</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>• Freedom of association</li> <li>• Health &amp; Safety</li> <li>• Anti-discrimination</li> <li>• Anti-bribery and corruption</li> <li>• Access to grievance mechanisms</li> </ul>
<p>Our Policies, Governance and Grievance Mechanism</p>	<p><b>Modern Slavery Policy</b></p> <p>TRS is committed to a high level of compliance with Modern Slavery legislation, including the Modern Slavery Act 2018 (Cth). The legislation defines modern slavery as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour and deceptive recruiting for labour or services.</p> <p>TRS has developed a Modern Slavery Policy, which confirms that TRS is committed to contributing to ending modern slavery.</p> <p><b>Corporate Code of Conduct</b></p> <p>To help ensure a consistent approach to managing human rights risks, including those related to Modern Slavery, TRS has an established corporate code of conduct which forms the basis of a shared view of TRS, its mission and its ethical standards for senior management and TRS team members. This is essential for our long-term performance and sustainability, as well as to protect and enhance the interests of our shareholders and other stakeholders.</p> <p>TRS' Code of Conduct has been adopted by all team members (including senior executives and non-executive directors). The Code of Conduct encourages all TRS team members to report any breaches of the code to senior management or the People and Culture Team.</p> <p><b>Whistleblowing Policy</b></p> <p>We also operate a Whistleblowing Policy, aimed principally at TRS team members but also available to others working in our supply chain to report actual or suspected wrongdoing or misconduct.</p> <p><b>Supply Chain Standards</b></p> <p>We have also established a business policy and minimum standards that we expect our agents, suppliers and service providers to meet. Strict adherence to these requirements enables TRS to improve safety throughout its entire supply chain network, provide the lowest overall supply chain costs, from supplier to store, and promote the appearance and integrity of products for customers. We expect all our agents, suppliers and service providers to meet and sustain the same high standards for safety, and the performance standards as we set for ourselves.</p> <p>We require our agents, suppliers and service providers to comply with our code of practice that is all products must comply with Australian Standards and Regulations, all products must be safe to use and fit for purpose and all products must comply with product labelling, barcode format and carton marking standards.</p> <p>In selecting our agents, suppliers and service providers, we evaluate not only the product but the ethical standards of our agents, suppliers and service providers representatives. They must preserve the confidentiality of information obtained in the course of their relationship with TRS, understand the importance of providing complete information to TRS in order to assist in decision-making, be consistent, predictable, trustworthy and cooperative, alert TRS to circumstances potentially affecting performance, cost and availability or scheduling and fully comply with all applicable laws, rules and regulations in each jurisdiction in which they do business, including foreign countries.</p> <p><b>Ethical Sourcing Policy</b></p> <p>TRS' Ethical Sourcing Policy sets out twelve requirements and expectations for all our suppliers, wholesalers and agents, whether national or international, which includes</p>

	<p>requiring each to commit and attest to meeting our ethical standards in relation to bribery and corruption, labour rights, freedom of association and the right to collective bargaining, working conditions, child labour, living wages, working hours, regular employment, harsh or inhumane treatment, entitlement to work and immigration, sub-contracting and home working and environment compliance. In addition, to comply with local laws and regulations, our suppliers, wholesalers and agents must demonstrate continuous improvement within our established standards. This places significant obligations on a number of wholesalers and agents, as a large portion of products are sourced through such means, and we do not have direct contact with the manufactures of many products.</p> <p>It is expected that all suppliers, wholesalers and agents comply and act in accordance with the above requirements and are able to provide relevant independent audit, or appropriate and necessary documentation (certificates and patent compliance etc.) to demonstrate adherence.</p> <p>In the instances where full compliance with our standards cannot be provided by a supplier, wholesaler or agent, we are committed to working with our suppliers to implement improvement plans and help them achieve compliance.</p> <p>If a supplier, wholesaler or agent is not able or willing to maintain the standards set out in our Ethical Sourcing Policy, any agreement between the supplier, wholesaler or agent and TRS will be terminated.</p>
<p>Actions taken by TRS including Due Diligence and Remediation Processes</p>	<p>TRS is in the process of assessing the risk of Modern Slavery in its business operations and supply chain.</p> <p>We consider that the biggest risk of Modern Slavery is in our product supply chain and therefore this is where we have focused our efforts to date. We have more work to do to communicate our expectations and implement our Modern Slavery Policy.</p> <p>As part of this assessment, TRS has undertaken the following activities:</p> <ul style="list-style-type: none"> <li>• training on Modern Slavery has been provided to relevant team members;</li> <li>• a Modern Slavery Policy has been developed and approved by the board of TRS;</li> <li>• contractual documents have been updated to require compliance with Modern Slavery legislation.</li> </ul> <p>TRS has recently become a member of SEDEX (Supplier Ethical Data Exchange). We intend to use our SEDEX membership to help assess the performance of our business partners. Initially, our focus is on business partners based in Pakistan, Philippines, India and Thailand given that these countries have the highest vulnerability to modern slavery (as assessed by the Walk Free Foundation) within our business partner network. Over the coming years, we will expand our assessment to other countries.</p> <p>We will assess what processes our suppliers already have in place for managing their own risks. Where suppliers are unable to satisfy us that they have appropriate risk management controls in place, or are unwilling to share this information, we may take further action, such as engaging supplier senior management, implementing a remediation plan, or suspending the contract.</p> <p>Once the above steps have been implemented, we will continue to carry out regular audits to monitor compliance with our Code of Conduct and local laws.</p> <p><b>Training</b></p> <p>Training is an essential component of our risk management, governance and compliance framework. Our compliance training approach ensures all team members are aware of their obligations under our compliance policies and have access to further information about these when required.</p> <p>Our Code of Conduct sets out the behavioural standards for everyone who works for, or on behalf of, TRS.</p> <p>Acting in accordance with our code and policies are a condition of employment. All team members are provided with the code and our policies upon commencement with TRS.</p>

	<p>Our merchandise team have been identified as one of the important recipients of targeted training and we intend to consider the most effective tools to design and deliver enhanced Modern Slavery training during the next financial year, including awareness-raising of the signs of Modern Slavery, identifying and mitigating those risks within the supply chain and providing information on how to raise complaints within TRS.</p>
Effectiveness of actions being taken	<p>We will conduct internal audits to assess the effectiveness of the actions we have taken to address Modern Slavery in our merchandise and supply chain and work with business partners to check how they are progressing any actions they have put in place to address Modern Slavery risks.</p> <p>We will also assess the effectiveness of our training via feedback from participants (i.e. whether it is fit for purpose and effective in raising awareness amongst team members and suppliers).</p> <p>TRS are committed to making improvements in its business to avoid Modern Slavery and will provide an update on its progress in next year's statement.</p>
Statement availability	<p>This statement is made pursuant to section 16 of the Modern Slavery Act 2018 and constitutes the modern slavery statement of The Reject Shop Limited ABN 33 006 122 676 for the year ending 30 June 2020, to prevent Modern Slavery in our business operations and supply chain.</p> <p>It has been approved by the Board of The Reject Shop Limited ABN 33 006 122 676 on 17 March 2021.</p> <p>This statement will be made available to all on TRS' website. Any questions about this statement should be directed to the contact person below.</p>
Contact Person	<p>Michael Freier, Company Secretary, <a href="mailto:companysecretary@rejectshop.com.au">companysecretary@rejectshop.com.au</a></p>

For and on behalf of the Board of Directors of The Reject Shop Limited ABN 33 006 122 676



Steven Fisher  
Chairman  
17 March 2021