

Issue Date: 26 August 2021 **Reference:** P-P-001

SUBJECT: Modern Slavery and Human Trafficking Statement
APPLIES TO: Spicers Australia Pty Ltd; and
All persons working for or providing services to Spicers
AUTHORISED BY: Chief Executive Officer
REPLACES POLICY DATED: 1 July 2021

Spicers may vary this policy at any time by authority of the Chief Executive Officer. Any reference to this policy in contracts or agreements is deemed to refer to this policy as varied from time to time.

This statement is signed by David Martin in the role of Chief Executive Officer for Spicers Australia Pty Ltd on 26 August 2021.



David Martin
Chief Executive Officer

1. GENERAL

This Modern Slavery and Human Trafficking Statement is made pursuant to the *Modern Slavery Act 2018 (Cth)* (the Australian Modern Slavery Act) by Spicers Australia Pty Ltd (ABN 84 007 228 113) ('Spicers') (**Mandatory criterion 1**).

2. MODERN SLAVERY OVERVIEW

The Act

The *Australian Modern Slavery Act 2018* ('the Act') came into force on 1 January 2019 and requires identified Reporting Entities (organisations with consolidated revenue of A\$100M) to report annually on:

- the risks of modern slavery in their operations and supply chains
- actions they have taken to assess and address those risks; and
- the effectiveness of their response.

What is it?

The Act defines modern slavery as including eight types of serious exploitation:

- trafficking in persons;
- slavery;
- servitude;
- forced marriage;
- forced labour;

- debt bondage;
- deceptive recruiting for labour or services; and
- subjecting children to slavery or similar practices or engaging children in hazardous work.

3. PURPOSE

To ensure modern slavery practices are not taking place in any of our supply chains or in any part of our business.

4. POLICY APPLICATION

This policy applies to all persons working for or providing services to Spicers.

We expect that all persons and organisations seeking a relationship with us are familiar with this policy and to act in a way consistent with its values.

5. POLICY

Spicers respects human rights and is committed to limiting the risk of modern slavery within our supply chains and operations. Spicers does not condone or use child or forced labour in any of our operations or premises and will work to ensure these practices are not present in our operations or supply chain. We expect that all organisations we engage with to do the same.

We declare that our workforce is voluntarily and entitled to leave the work whenever they desire. Workers are not required to post a deposit or bond, and salaries are not withheld for any reason.

Spicers will follow all laws and regulations regarding employment practices and if made aware of modern slavery practices in its own business, or within its supply chain, will resolve the issue in line with the values expressed in this policy. It is expected that suppliers have similar values to Spicers concerning modern slavery.

Spicers maintains a comprehensive suite of Human Resources policies and procedures, in addition to employment contracts and enterprise agreements, to ensure all Company employees are provided with conditions that are equal to, if not more favourable than, minimum legislated employment conditions. Policy documentation can be requested from the Company HR Manager, where appropriate.

6. ABOUT SPICERS (Mandatory Criterion 2)

A. Company Overview

Spicers is a leading distributor and provider of services to customers in commercial print, digital media, label & packaging, industrial packaging, sign & display consumables and hardware, and architectural market sectors. Spicers has approximately 220 employees supporting its business operations in Australia.

Spicers stock and distribute a wide range of products and services in two broad market sectors:

Print & Packaging Categories

A broad range of paper related products are supplied to customers.

Products and services include:

- coated and uncoated fine papers (many with recycled content)
- specialty papers
- synthetic papers

- digital (high speed inkjet) papers
- cardboard packaging materials
- pressure sensitive label materials
- other industrial packaging products, ranging from protective packaging through to wrapping films and self-adhesive tapes

Sign & Display and other categories

A wide range of products and services are provided to customers in the graphics, signage, visual display and building industries.

Products and services include:

- flexible vinyl substrates – cut and coloured to suit a wide variety of applications
- rigid substrates – broad range of sign and display substrates
- pressure sensitive films and wraps – coloured, reflective, and protective materials
- wide format printing equipment and inks
- print media and finishing products – roll media and protective laminates
- architectural – interior and exterior solutions to suit varied construction and renovation applications

B. Spicers Supply Chain Overview

Supply Chain Definitions

Suppliers: Organisation or contractor providing goods or services, including their subcontractors, and other related entities.

Supply chains: Sourced products and services (including labour) that contribute to Spicers business services and extends beyond direct suppliers.

Spicers main suppliers:

- Paper and paperboard mills
- Substrate manufacturers (main end application is printing)
- Ink manufacturers
- Adhesive manufacturers
- Hardware manufacturers (printing machines or similar)

Spicers predominantly sources products from the following countries:

- Australia
- New Zealand
- Europe: Finland, Sweden, Germany, Italy, Austria, Netherlands, Spain
- Asia: Japan, Korea, China, Taiwan, Indonesia, Thailand, Malaysia
- United States of America
- South America: Chile

Spicers Customers

- Spicers customers are in Australia
- The customers are predominantly printers (commercial print, labelling, packaging, signage, and visual display) and building industry related (interior wall coverings, interior and exterior window & insulation films)

7. RISK OF EXPOSURE TO MODERN SLAVERY (Mandatory Criterion 3)

As a wholesale distribution business within Australia, Spicers considers the risk of modern slavery within its direct business operations to be low. In addition, our customers operate in Australia. Therefore, we consider the risk of modern slavery within our customer's business operations to be low. Spicers, however, recognises that through its supply chain it can be exposed to the risk of modern slavery and human trafficking.

Spicers understands that modern slavery risk relating to suppliers will vary depending on their industry, geographic location, and company size.

Therefore, Spicers has conducted a risk assessment for modern slavery based on the following criteria:

- i. Type of supplier
 - Paper and Paperboard manufacturers
 - Other substrate suppliers
- ii. Geographic Location
 - Assessing the risk profile of countries based on the [Global Slavery Index](#)
- iii. Certification and compliance certificates held by suppliers

These include:

- Forest Stewardship Council (FSC) Chain of Custody (COC) Certification
- Program for the Endorsement of Forest Certification (PEFC) Chain of Custody (COC) Certification
- ISO Quality and Environmental Certification
 - ISO 9001 Quality Management
 - ISO 14001 Environmental Management
- Modern Slavery Policy Statement: does the supplier have its own statement

- iv. Supplier site visits
 - Due to current COVID19 travel restrictions (DFAT), we are not able to conduct site visits to overseas suppliers

8. ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISK, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESS (Mandatory Criterion 4)

Spicers due diligence process includes the following:

- i. Spicers statement of compliance sent to suppliers

This statement includes:

Suppliers must ensure that there are no modern slavery practices in their supply chains and operations. If Spicers or Suppliers identify any incidence of modern slavery in their supply chains or operations, they must take all practical steps to address that occurrence or risk. Suppliers must notify Spicers as soon as practicable of any occurrence of modern slavery in their supply chain and notify relevant authorities where appropriate.

As a condition of working with Spicers, we require all suppliers to confirm:

- their workforce does not contain forced or compulsory labour practices;

- their workforce is voluntarily and is entitled to leave the work whenever they desire;
- provision of an employment contract that contains reasonable conditions and notice periods;
- workers are not required to post a deposit/bond, and salaries are not withheld for any reasons;
- workers to NOT required to surrender their passports or work permits as a condition of employment;
- underage children are not used in undertaking work.

ii. Supplier Evaluation for Modern Slavery Risk

- a) Type of supplier
 - Paper and Paperboard manufacturers
 - Other substrate suppliers
 - b) Geographic Location
 - Assessing the risk profile of countries based on the [Global Slavery Index](#)
 - c) Certification and compliance certificates held by suppliers
- These include:
- Forest Stewardship Council (FSC) Chain of Custody (COC) Certification
 - Program for the Endorsement of Forest Certification (PEFC) Chain of Custody (COC) Certification
 - ISO Quality and Environmental Certification
 - ISO 9001 Quality Management
 - ISO 14001 Environmental Management
 - Modern Slavery Policy Statement: does the supplier have its own statement

iii. Spicers Procurement Process

- a) All suppliers to be evaluated regularly based on Spicers Evaluation for Modern Slavery Risk.
- b) All new suppliers to be evaluated based on Spicers Evaluation for Modern Slavery Risk
 - Must be signed off by Purchasing Manager
- c) Purchasing Department Training

All staff will undertake an awareness programme on modern slavery, which covers:

- the various forms of modern slavery and how people can be held and exploited;
- the scope of the issue and how it affects our organization;
- how personnel can identify the signs of modern slavery practices;
- responsibilities of workers should they suspect modern slavery.

iv. Remediation Process

- a) Suppliers must notify Spicers as soon as practicable of any occurrence of modern slavery in their supply chain and notify relevant authorities where appropriate.

- b) Spicers Employees are encouraged to raise any concerns regarding instances of possible modern slavery by suppliers. If it suspected or believed a breach of this policy has occurred the employee must contact the Purchasing Manager immediately.
- c) Identification of non-compliance by Suppliers will be assessed on a case by case basis with Spicers working to ensure the supplier remains compliant with this policy. Where serious breaches are identified, and the supplier cannot remain compliant with this policy disengagement from the supplier will occur as soon as practicable.
- d) If any party suspects Spicers has breached its modern slavery requirements, a report can be lodged, anonymously if required, in accordance with Spicers' Whistleblower Policy (reference H-P-026).

To lodge a report:

- 1) Access www.spicersspeakup.deloitte.com.au from any web browser.
- 2) Log in to the service using the following details:
 - a. Username: Spicers
 - b. Password: Speakup1!
- 3) Lodge a report.
- 4) Alternatively, if anonymity is not required, an email can be sent directly to spicersspeakup@deloitte.com.au or to the Spicers Purchasing Manager or HR Manager.

9. ASSESSING EFFECTIVENESS OF MODERN SLAVERY RISK MANAGEMENT (Mandatory criterion 5)

When Spicers assesses the effectiveness of modern slavery risk management this means the company is assessing its ability to detect and address modern slavery risk in its operations, or through exposure to third parties in the company's supply chain.

- i. FSC & PEFC certification
 - a) For Paper and Paperboard suppliers: all Spicers suppliers are FSC and / or PEFC Chain of Custody Certified.
 - b) Spicers is FSC and PEFC Chain of Custody Certified.

- ii. FSC Chain of Custody Standards:

FSC-STD-40-004 V3-1 Chain of Custody Certification now includes:

- abolition of child labour, elimination of all forms of forced or compulsory labour, elimination of discrimination in respect of employment and occupation, respect of freedom of association, and effective recognition of the right to collective bargaining;
- adopting and implementing policy statement(s) that encompass the FSC Core Labour Requirements;
- demonstrating compliance through certification with other social certifications;
- an option for other organizations such as certification bodies to submit certification schemes which comply to the FSC Core Labour Requirements, and;
- incorporating a risk-based approach via self-assessments in which organizations describe how they apply the requirements to their operations.

iii. PEFC Chain of Custody

PEFC Chain of Custody PEFC ST 2002:2020 includes:

- 4.10 Social, health and safety requirements in chain of custody
This clause includes requirements relating to health, safety and labour issues that are based on ILO and Declaration on Fundamental Principles and Rights at Work (1998).
- 4.10.1 The organisation shall demonstrate its commitment to comply with the social, health and safety requirements defined in this standard.
- 4.10.2 The organisation shall demonstrate that:
 - a) workers are not prevented from associating freely, choosing their representatives and bargaining collectively with their employer
 - b) forced labour is not used
 - c) workers, who are under the minimum legal age, the age of 15, or the compulsory school attendance age, whichever is higher, are not used
 - d) workers are not denied equal employment opportunities and treatment
 - e) working conditions do not endanger safety or health

iv. Geographic Location

Although several of our suppliers are in Asia, for which certain countries are in a medium to high risk position, Spicers considers the evidence of certification including FSC and PEFC Chain of Custody and ISO Certification and other compliance reporting outweighs these risks.

Furthermore, the manufacture of substrates for printing is in general, largely machine based and highly automated.

v. Spicers conclusion

All companies who are FSC or PEFC Chain of Custody Certified meet the requirements of the Act.

10. THE PROCESS OF CONSULTATION WITH ANY ENTITIES THE REPORTING ENTITY OWNS (Mandatory Criterion 6)

This statement covers Spicers Australia Pty Ltd ABN 84 007 228 113.

The trading businesses include:

- Spicers
- Direct Paper

The management of Spicers and Direct Paper are centrally controlled in the Melbourne head office.

11. OTHER RELEVANT INFORMATION (Mandatory Criterion 7)

Spicers will incorporate its due diligence process for Modern Slavery into other areas of compliance within the business including:

- FSC and PEFC Chain of Custody Procedures
- Legal Timber Due Diligence
- Any relevant Policies or Procedures relating to employee or employment conditions