



Ethical Sourcing and Modern Slavery Policy

YAY! Promos recognises that we operate in a potentially high-risk industry sector. Our risk classification is the result of complex and diverse supply chains that encompass risks of modern slavery, ethical sourcing, environmental and product quality concerns.

We are committed to working with the resources available to us to assess and address modern slavery and ethical sourcing risks.

The promotional products industry in Australia and New Zealand is diverse and is comprised of several providers such as decorators, suppliers, distributors, and other service providers with unique risks in their supply chains. We recognise that our role in complex and diverse supply chains does not preclude us from responsibility to instil a culture of transparency, and work with suppliers and customers to address risks of ethical sourcing and modern slavery.

While we are not a reporting entity under the Australian *Modern Slavery Act 2018* (or any other current or proposed legislation) we are committed to working towards assessing and addressing the risks of modern slavery in our supply chain by empowering and educating our staff and suppliers.

YAY! Promos is actively working towards more ethical and responsible supply chains.

Responsibility

As an SME we continue to work with the resources available to us to address modern slavery and ethical sourcing risks. The following principles inform how we will the implement this policy.

YAY! Promos:

- I. will not knowingly use or contribute to modern slavery practices in any form (as outlined in the Addendum B to this policy)
- II. will actively work to identify and eliminate modern slavery practices from our operations, business partnerships and supply chains
- III. acknowledges that any form of exploitative treatment, punishment, abuse of labour rights and coercive control of workers in our operations or supply chain is unacceptable
- IV. understands that ethical business processes are an essential part of value for money and 'fit for purpose' considerations
- V. will work with our clients and customers to ensure the final purchasing decisions are not based on price alone

Risks

We recognise that our principal areas of risk in relation to promotional products include:

1. Sourcing of raw materials and commodities such as rubber, plastic, cotton, timber and metals that go into the goods we procure.
2. Direct procurement of products and merchandise (including textiles and garments) sourced from suppliers located in countries such as Bangladesh, China, India, Indonesia, Myanmar and Vietnam, and where the risk of modern slavery is high.

3. Exploitation and modern slavery in the materials processing, packaging, transport (particularly international shipping), logistics and warehousing sectors.
4. Use of contract workers including low skilled or temporary migrants anywhere along our extended supply chain.
5. Employment of women and girls or use of child labour in the extended supply chain.
6. Use and disposal of dyes, inks, hazardous materials and packaging used in the manufacture of promotional products.

Our Commitment

Our approach to modern slavery risk management and ethical supply chains is based on an industry wide acknowledgement of risks and commitment to the following key actions:

1. Build meaningful relationships with suppliers that aim to educate and support them in addressing modern slavery and ethical sourcing risks. This includes working towards:
 - a. Communicating our expectations through honest and open discussions with our highest priority suppliers.
 - b. Increasing awareness of modern slavery in our extended supply chain through conversation, engagement and training.
 - c. Providing information on any actions being undertaken to address modern slavery and ethical supply risks when requested.
2. Consider how our own business operations could influence and contribute to inappropriate practices through our purchasing policies and processes.
3. Work towards understanding where modern slavery risks exists in our operations and supply chains and manage and mitigate these risks through appropriate due diligence.
4. Work in conjunction with our industry association (APPA) to empower our industry and promote active involvement in supply chain risk management.
5. Work as a collective to influence the wider industry to move towards more ethical and slavery-free supply chains, recognising the leverage we have, to influence change.

Feedback and Review Processes

This policy and any associated codes of conduct and procedures will be reviewed annually.

Signed by

Bryan de Haas

Managing Director

1st April 2021

Addendum A: Ethical Sourcing Criteria

YAY! Promos will work towards achieving compliance with the following ethical sourcing criteria, in accordance with the expectations documented in the APPA Code of Conduct and this policy.

1. Labour Rights

Employment is freely chosen and is in no way forced, bonded or involuntary.

Wages and benefits paid for a standard working week must meet, as a minimum, applicable national laws, standards, regulations or industry benchmarks, whichever is the higher.

2. Freedom of association and the right to collective bargaining are respected

Workers have the rights to join or form trade unions and to collectively bargain.

Where this right is restricted by law, the employer will facilitate alternative means for independent and free association and bargaining.

3. Working conditions, health and safety

A safe and hygienic working environment shall be provided and workers shall have access to personal protective equipment and training in its use.

4. Child Labour

Suppliers shall comply with all minimum age provisions outlined in applicable laws, regulations and international conventions.

Young workers under the age of 18 shall not be employed to work at night or in conditions which compromise their health, safety, moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.

5. Harsh or Inhumane Treatment

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

6. Environment

Suppliers must comply with relevant environmental laws and regulations and have processes in place to actively improve the efficiency with which finite resources, including fossil fuels and water are used.

Suppliers must minimise the release of harmful emissions to the environment associated with manufacture, use and end-of-life product management.

7. Product safety

Suppliers must comply with all product safety laws and regulations, including mandatory standards and product bans to sell products in Australia and/or New Zealand. Safe design is important for all goods, to ensure products will not cause harm when used in a reasonable manner. Quality control measures must be used to address the risk of creating hazards in the course of production and distribution. Suppliers must comply with other product safety rules including recalls and mandatory reporting of product-associated injuries.

Expectation of our suppliers

YAY! Promos expects all our suppliers to respect and comply with the criteria set out in this Policy. We encourage our suppliers to be open and honest about the challenges they face so we can work together to find practical solutions. We will continue to work with and support those suppliers who demonstrate a commitment to ethical sourcing and continual improvement and reserve the right to review or terminate contracts where continual non-compliances or lack of commitment is observed.

Addendum B: Forms of Modern Slavery Relevant to Business

Debt bondage (or bonded labour)

Debt bondage is the most common form of slavery. This occurs when a person is forced to work to pay off an excessive debt unfairly imposed on them by a recruitment agent or employer. The person works for little or no pay, with no control over their debt. Over time, the value of their work becomes greater than the original debt. Examples of debt bondage are associated with recruitment fees, travel, visas, work materials or schemes where a person must pay to get a job.

Deceptive recruiting for labour or services

Deceptive recruiting occurs when a victim is misled about the job they are recruited for, and it leads to them being trapped in modern slavery. Types of deceptive conduct used by recruiters include offering exaggerated rates of pay, reasonable work hours and inclusions of accommodation, food, transport and other expenses. The reality turns out to be vastly different.

Forced Labour

Forced labour is any work or service which people are forced to do against their will under threat of penalty. A victim is not free to stop working or to leave their place of work because of physical and/or psychological coercion. This may include threats and violence against themselves, other workers, family members or others.

Human Trafficking

The legal definition of human trafficking in Australia is:

...the recruitment, transportation, transfer, harbouring or receipt of a person through means such as threat or use of force, coercion, deception, or abuse of power or vulnerability; for the purpose of exploiting that person ...

Human trafficking is a serious crime which often, ends up with the trafficked people being exploited through modern slavery, forced labour, servitude, debt bondage, organ removal or other forms of exploitation.

Worst Forms of Child Labour

The worst forms of child labour include where children are exploited through slavery, forced labour or similar practices; engaged in hazardous work which may harm their health, safety or morals; or used to produce or traffic drugs. The worst forms of child labour can occur in a variety of contexts and industries. This may include orphanage trafficking and slavery in residential care institutions, as well as child labour in factories and manufacturing sites, mining and agriculture. Importantly, not all child labour is illegal if the correct controls are in place such as children being engaged in the light physical labour only, not be subjected to hazardous work, and where working hours are limited and outside school time etc.

Slavery or slavery like offences

Slavery is the exploitation and control of others through coercion, such as:

- Restricting where people live, work, move or communicate with others.
- Using threats or actual violence against the person or their family.
- Forcing them to work, withholding food or water, pay and other forms of abuse.

Examples include men forced to work on farms or construction sites, women in cleaning or children in factories - they don't have the choice to live in freedom and with dignity. People who are trapped in modern slavery are often manipulated in schemes that do not allow them to escape, to ask for help or to gain an understanding that they are in fact victims of criminal activity.