



Modern Star Pty Ltd
ABN 31 101 306 950
Level 1, 122-126 Old Pittwater Road
Brookvale NSW 2100 Australia
PO Box 6614
Frenchs Forest NSW 2086 Australia
Phone + 61 2 9907 5279
www.modernstar.com

Modern Star Ethical Sourcing Policy

Modern Star Pty Ltd and its subsidiary companies including Modern Teaching Aids Pty Ltd, Modern Brands Pty Ltd, CleverPatch Pty Ltd, Zart Art Pty Ltd, Educational Vantage Pty Ltd, Learning Can Be Fun Pty Ltd, Educational Colours Pty Ltd, Educating Kids Pty Ltd, Parent Direct Pty Ltd, Kesco Educational Pty Ltd, Kangaroo Educational Pty Ltd, R.E Batger Pty Ltd, World of Sport Wholesalers Pty Ltd, Ross Haywood Sports Pty Ltd and Elizabeth Richards Pty Ltd (each and together “**Modern Star**”) are committed to the responsible manufacture and provision of goods and services. The Modern Star Ethical Sourcing Policy is based primarily on Ethical Trade Initiative (ETI) and International Labour Organisation (ILO) Conventions.

Updated 8 November 2022

Part 1 – Policy Requirements

1 Requirements

- 1.1 In the event that suppliers are unable to demonstrate a commitment to the Modern Star Ethical Sourcing Policy, Modern Star reserves the right to terminate the trading agreement.

2 Legal Requirements

- 2.1 All local laws and regulations regarding labour, health, safety and the environment must be observed by suppliers. Suppliers must comply with the legal requirements of the countries in which they operate in addition to all elements of this Ethical Sourcing Policy.
- 2.2 Suppliers must ensure that they meet their contractual obligations to Modern Star and their own suppliers.

3 Forced/Bonded Labour

- 3.1 Suppliers shall not use forced, bonded or involuntary labour.
- 3.2 Employment shall be freely chosen by the worker.
- 3.3 Workers will not be required to lodge deposits or identity papers with suppliers.
- 3.4 Workers shall be free to leave their employment after reasonable notice has been given.

4 Child Labour

Child Labour is defined as work that deprives children of their childhood, the opportunity to attend school and fulfil their potential and that is harmful to their physical and mental development.

- 4.1 Suppliers shall not use Child Labour in the production or distribution of their goods or services.
- 4.2 Suppliers must not hire any employee under the age of 15 (regardless of the country's minimum working age) or under the minimum age according to the laws of the supplier's country, or any employee whose employment would interfere with compulsory schooling.
- 4.3 Suppliers must take steps to verify the age of all employees to ensure no Child Labour is used.
- 4.4 Suppliers shall ensure that young workers under the age of 18 are not engaged in hazardous work.

5 Illegal labour

- 5.1 Suppliers must be able to verify the legal entitlement of their employees to work in the country of employment.

Policy Name	Version #	Release Date	Review Date	Authorised by
Ethical Sourcing	5	November 2022	December 2023	CEO

6 Wages and Benefits

- 6.1 Wages and benefits paid for a standard working week must meet, as a minimum, national or industry standards, whichever is the higher, including all mandated wage allowances and benefits.
- 6.2 Suppliers must use best endeavours to ensure that total compensation paid reflects the liveable wage in the local region i.e. is sufficient to cover basic food, housing, education and healthcare costs.
- 6.3 All workers must be provided with written and understandable information about their employment conditions in respect to wages, before they enter employment, and about the particulars of their wages for the pay period concerned each time they are paid.
- 6.4 Deductions from wages shall only occur with the permission of the worker concerned.
- 6.5 Deductions from wages for disciplinary measures are not permitted.
- 6.6 All disciplinary measures shall be recorded in the worker's employment file.

7 Working Hours

- 7.1 Working hours must comply with applicable local laws or industry standards, whichever affords greater protection.
- 7.2 Workers must not work above the maximum hours per week as stipulated by local laws.
- 7.3 Overtime shall be voluntary and compensated as prescribed by local laws.

8 Freedom of Association

- 8.1 Suppliers acknowledge that workers have a right to freedom of association and to bargain collectively.
- 8.2 Where the rights to freedom of association and collective bargaining are restricted under local laws, suppliers will not hinder the development of alternative means of independent and free association and bargaining.

9 Working Conditions

- 9.1 Suppliers are to provide a safe and healthy working environment.
- 9.2 Workers shall receive adequate, recorded training to perform their jobs in a safe manner.
- 9.3 Personal protective equipment shall be supplied and workers trained in its use.
- 9.4 Safeguards on machinery must meet or exceed local laws.
- 9.5 Where suppliers provide worker accommodation, it shall be clean, safe and meet the basic needs of workers.
- 9.6 Workers will have access to clean toilet facilities, clean drinking water and where appropriate sanitary facilities for food storage and preparation.

10 Discrimination

- 10.1 Suppliers must ensure that there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

11 Regular Employment

- 11.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

Policy Name	Version #	Release Date	Review Date	Authorised by
Ethical Sourcing	5	November 2022	December 2023	CEO

- 11.2 Employees who have a regular employment relationship with their employer are afforded a number of obligations from their employer relating to labour and social security laws and regulations. These obligations shall not be avoided through the use of labour-only contracting, sub- contracting, home-working arrangements, fixed term contracts or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.

12 Harsh or Inhumane Treatment

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

13 Business Integrity

- 13.1 Suppliers shall engage professional business ethics in all dealings. Suppliers shall not engage in bribery or corruption and must provide transparent documentation and records.

14 Sub-Contracting

- 14.1 Suppliers shall ensure that all its sub-contractors and suppliers providing materials or labour in the manufacture of goods for Modern Star have an ethical sourcing programme which aligns to the Modern Star Ethical Sourcing Policy.

15 Responsible Sourcing of Raw Materials

- 15.1 Suppliers shall use best endeavours to responsibly source all raw materials.
- 15.2 In accordance with the Australian Illegal Logging Prohibition Act 2012, suppliers should understand the origin of the timber used in timber products (wood, paper, pulp) and retain and be able to provide appropriate documentation to verify that the wood was not illegally logged.
- 15.3 Suppliers should promote social responsibility amongst their raw material suppliers and associated factories.

16 Environment

- 16.1 Suppliers must comply with local and national environmental laws and regulations.
- 16.2 Suppliers shall strive to comply with international standards on environmental protection.

17 Sustainable Packaging

- 17.1 Modern Star expects its suppliers to supply goods in packaging which is reusable, recyclable, or compostable and to work towards Australia's 2025 National Packaging Targets, that:
- 100% of all Australia's packaging will be reusable, recyclable, or compostable packaging by 31 December 2025.
 - 70% of Australia's plastic packaging will be recycled or composed by 31 December 2025.
 - 50% average recycled content will be used across all packaging by 31 December 2025.
 - Problematic and unnecessary single-use plastic packaging will be phased out through design, innovation, or introduction of alternatives.
- 17.2 On request, suppliers shall provide a detailed list of packaging components including used materials and weight.

Policy Name	Version #	Release Date	Review Date	Authorised by
Ethical Sourcing	5	November 2022	December 2023	CEO

18 Confidentiality

18.1 Suppliers shall safeguard Modern Star's information by keeping it secure, and limiting access and avoiding discussing or revealing such information in public places. These requirements extend even after the conclusion of the supplier's relationship with Modern Star.

Part 2 - Compliance

There are numerous recognised compliance bodies, which currently manage auditing and compliance for responsible sourcing. These include, but are not limited to:

- WRAP (Worldwide Responsible Accredited Product);
- BSCI (Business Social Compliance Initiative);
- ICTI (international Council of Toy Industries);
- SMETA (SEDEX Members Ethical Trade Audit); and
- Social Accountability (SA) 8000

Modern Star prefers to source from factories that are already certified with these organisations and who are regularly audited against global standards and comply with industry codes.

Modern Star requires the supplier to undertake regular audits to ensure the supplier is operating withing global standards and industry codes and to supply audit reports to Modern Star as audits are updated and completed.

Modern Star may at any time audit Supplier's compliance with this Policy, including in respect of any product supplied to Modern Star and any factory or premises used in connection with the manufacture and supply of any product supplied to Modern Star. Supplier must fully cooperate with Modern Star including but not limited to providing all information reasonably required by Modern Star and allowing Modern Star to review all records, accounts and data held by the Supplier and its subcontractors and permitting Modern Star to access any and all factories, offices and other premises used in the connection with the manufacture and supply of any products to Modern Star.

Modern Star prefers to source from factories that are active SEDEX members. If a factory is a SEDEX member, Modern Star requires the supplier to share the SEDEX membership details and links their factories to the Modern Star SEDEX account. Modern Star may require factories to share its self-assessment information through the SEDEX platform.

Modern Star prefers to source timber (wood, paper, pulp) products from factories that are FSC or PEFC certified.

Policy Name	Version #	Release Date	Review Date	Authorised by
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Part 3 – Compliance with this Policy

Each supplier must comply with this Policy in all respects. If the supplier has done so, it must sign and deliver to Modern Star an annual declaration of compliance in the form of Attachment A. If the supplier has not complied with this Policy, it must notify Modern Star accordingly (as referred to in Part 3 above).

As part of its compliance commitments each supplier:

1. must maintain a Factory Compliance Schedule (in the form of Attachment B). The Factory Compliance Schedule will be delivered by the supplier to Modern Star by 1st January each year, for each factory and premises used for the supply arrangement and within 30 days of a new factory or other new premises being used for the purposes of the supply arrangement. The Factory Compliance Schedule must include the premises details and all supporting documentation (as referred to in Attachment B);
2. agrees that Modern Star reserves the right to verify any details on the Factory Compliance Schedule at any time; and
3. notify Modern Star of all changes to sourcing arrangements and is required within 30 days of any change to the sourcing arrangements to deliver to Modern Star details of any change, together with the documents in items 1 and 2 above in respect of each new factory or other premises which are being used for the supply arrangement.

Part 4 - Supplier Indemnity

Each supplier indemnifies and must pay Modern Star on demand in respect of any claim, loss, damage or liability (including but not limited to indirect or consequential loss) howsoever arising, directly or indirectly, in connection with any violation or breach of this Policy by the supplier or its officers, employees, agents, contractors or sub-contractors.

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Attachment A: Deed Poll - Declaration of Compliance

This deed poll is made by _____ (Company / Individual / Association) ("Supplier") in favour of Modern Star Pty Ltd (ACN 101 306 950) and its subsidiary companies from time to time including Modern Teaching Aids Pty Ltd (ACN 112 775 783), Modern Brands Pty Ltd (ACN 112 894 318), CleverPatch Pty Ltd (ACN 130 866 885), Zart Art Pty Ltd (ACN 621 120 321), Educational Vantage Pty Ltd (ACN 160 681 112), Learning Can Be Fun Pty Ltd (ACN 127 480 933), Educational Colours Pty Ltd (ACN 005 708 967) Educating Kids Pty Ltd (ACN 091 745 818) Parent Direct Pty Ltd (ACN 113 353 021), Kesco Educational Pty Ltd (ACN 101 340 881), Kangaroo Educational Pty Ltd (ACN 002 694 911), R.E Batger Pty Ltd (ACN 000 293 550), World of Sport Wholesalers Pty Ltd (ACN 629996541), Ross Haywood Sports Pty Ltd (ACN 101 820 828) and Elizabeth Richards Pty Ltd (CAN 661 117 719) (each and together "**Modern Star**").

The Company undertakes and warrants in favour of Modern Star that:-

- i. this deed poll has been executed on behalf of the Supplier and in accordance with the Supplier's constituent documents (if any) by duly authorised signatories;
- ii. the Supplier has read and understood the Modern Star Ethical Sourcing Policy; and
- iii. all information in the Factory Compliance Schedules which have been provided by the Supplier to Modern Star from time to time are true and correct.

The Supplier acknowledges and agrees that:

- i. the Supplier is responsible in complying with and agrees to comply with the Modern Star Ethical Sourcing Policy;
- ii. the Supplier will immediately report to Modern Star any contravention of the Modern Star Ethical Sourcing Policy; and
- iii. breach of the Modern Star Ethical Sourcing entitles Modern Star to:
 1. immediately terminate any supply arrangement with the Supplier, and
 2. make claim/s against the Supplier for breach of the Modern Star Ethical Sourcing and/or under Part 4 of the Modern Star Ethical Sourcing Policy.

This deed poll is governed by the laws of New South Wales, Australia.

Policy Name	Version #	Release Date	Review Date	Authorised by
Ethical Sourcing	5	November 2022	December 2023	CEO

Executed as a deed poll by the Supplier:

Signature of Authorised Officer / Signatory

Name

Date

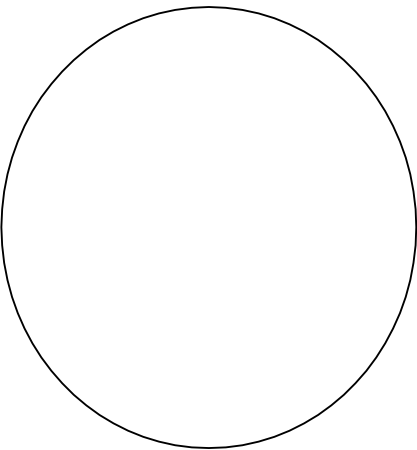
Position / Authority

Signature of Authorised Officer / Signatory

Name

Date

Position / Authority



Insert Company Seal (if applicable)

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Attachment B - Factory Compliance Schedule

Include all factory locations of factories Modern Star purchases goods from.

Name (Factory & Export Agent Name) Required	Address (Include all physical locations) Required	SEDEX Company Reference Number Add if available	SEDEX Site Reference Number Add if available	Contact (Name & Phone Number & Email Address) Required	Product (Type of supply) Required	Auditor (WRAP; BSCI, SA8000, ICTI, SEDEX; Audit) List auditor if available, and attach certification and audit report	Corrective Action Plan Attach if available	Date of next action

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Signed

Date: