

**DRUIN PTY LTD ACN 003 062 379 AS TRUSTEE FOR DRUIN
NO. 3 TRUST TRADING AS HARVEY NORMAN COMMERCIAL
DIVISION ABN 11 530 188 684
MODERN SLAVERY STATEMENT**

2020

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1. INTRODUCTION

- (a) Druin Pty Ltd ACN 003 062 379 as trustee for Druin No. 3 Trust (trading as Harvey Norman Commercial Division) ABN 11 530 188 684 (**Druin**) is committed to identifying and addressing all forms of modern slavery within its operations, supply chains and business relationships, and acting ethically and with integrity and transparency in all of its business dealings and relationships.
- (b) This Modern Slavery Statement is the first modern slavery statement prepared and published by Druin for the purposes of the Modern Slavery Act (Cth) 2018 (**Modern Slavery Act**). In accordance with the Modern Slavery Act, this Modern Slavery Statement describes the actions that we have taken to address modern slavery risks in our operations and supply chains, and the effectiveness of those actions.
- (c) The coronavirus pandemic (**COVID-19**) presented different challenges throughout our business.
- (d) Some of our operations and supply chains were affected because of government mandated shutdowns in response to COVID-19. As a result, this has made it difficult to progress modern slavery risk assessments and investigations.

2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

- (a) Harvey Norman Holdings Limited ACN 003 237 545 (**HNHL**) and subsidiaries of HNHL own valuable intellectual property rights, including the trade marks Harvey Norman®, Domayne® and Joyce Mayne® (**Intellectual Property**).
- (b) In Australia, a subsidiary of HNHL (a **Franchisor**) grants separate franchises to independent franchisees to use certain Intellectual Property, and to conduct the retail or commercial business of the franchisee online or at or from a store within a particular branded complex, pursuant to the terms of a franchise

agreement.

- (c) A Franchisor has granted a commercial franchise to Druin to use certain Intellectual Property and to sell products to commercial customers in Australia.
- (d) Druin is an independent commercial franchisee. Druin owns and controls Druin's commercial franchisee business. HNHL does not control, or have any ownership interest in Druin's commercial franchisee business.
- (e) Our operations involve:
 - (i) selling products to commercial customers who carry on a business in Australia using an Australian Business Number; and
 - (ii) engaging third party subcontractors to provide installation services to our commercial customers.

3. RISK MANAGEMENT

Our Human Resources Team and Operations Team (**Relevant Teams**) assist the Druin board (**Board**) to oversee Druin's systems of internal control and its risk management framework, including:

- (a) receiving reports on the adequacy of Druin's processes for identifying, assessing and addressing modern slavery risks;
- (b) receiving reports from management concerning new and emerging sources or risks, including modern slavery risks in our operations and supply chains; and
- (c) regularly reviewing our risk management processes to satisfy itself that the risk management processes continues to be effective and sound.

4. RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAINS

- (a) The risk management framework of Druin,

in relation to modern slavery risks, includes the following elements:

- (i) risk assessment to identify and mitigate risks of modern slavery practices;
- (ii) evaluation of modern slavery risks within sourcing processes and procurement activities undertaken by Druin;
- (iii) monitoring modern slavery risks which may arise in the employment of employees or engagement of subcontractors in our operations or supply chains;
- (iv) raise awareness and understanding of modern slavery risks within the operations of Druin through education and training to ensure that relevant teams are adequately trained to identify and report modern slavery incidents or practices; and
- (v) actions to eliminate modern slavery risk in Druin's operations and supply chains.

5. ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

5.1. Risk identification and assessment

Druin took the following actions during the reporting period ending 30 June 2020 in relation to modern slavery risks:

- (a) our operations and supply chains were reviewed in relation to modern slavery risks;
- (b) strategy, protocols and processes to address modern slavery risks; and
- (c) clauses addressing modern slavery risks were prepared for inclusion in agreements with subcontractors (**Subcontractor Agreements**).

5.2. Responsible Teams

- (a) The Board nominated members of the Relevant Teams to have responsibility for

dealing with modern slavery risks and issues in Druin's operations and supply chains (**Responsible Team Members**).

- (b) During the relevant period, the Responsible Team Members have:
 - (i) managed, monitored and reported on the compliance status and modern slavery risks in operations and supply chains of Druin to the Board;
 - (ii) developed actions to address modern slavery risks in operations and supply chains of Druin;
 - (iii) made recommendations to the Board in relation to mitigating modern slavery risks in Druin's operations and supply chains; and
 - (iv) monitored and evaluated the drafting, completion and submission of this Modern Slavery Statement in accordance with the Modern Slavery Act.
- (c) The Responsible Team Members ensure that Druin continues to comply with relevant modern slavery laws.

5.3. Due Diligence

- (a) Druin employs a due diligence process prior to engaging (and during engagement of) subcontractors.
- (b) This due diligence process includes assessing the risk profile of a subcontractor. For example, the due diligence process will assist with determining if a subcontractor has the appropriate licences, insurance and authority to carry out the specified scope of work in Australia.
- (c) If any of our subcontractors do not meet any of our requirements, our system will automatically alert all internal departments that the subcontractor should not be engaged until any identified issues are addressed.

5.4. Modern Slavery Policies

- (a) Druin has:

- (i) adopted and implemented an initial policy which provides a preliminary explanation as to how we identify, assess, address and mitigate modern slavery risks in our operations and supply chains; and
 - (ii) drafted a slavery and child labour policy which outlines our stance against the use of any child or forced labour by any supplier, subcontractor or party, involved in our operations or supply chains (collectively, **Modern Slavery Policies**).
- (b) The Modern Slavery Policies are supplemented by our other policies and procedures, including but not limited to our:
- (i) Whistleblower Protection Policy; and
 - (ii) Code of Conduct.
- (c) Druin is in the process of finalising an ethical sourcing and modern slavery policy which will consolidate and expand on the matters set out in our current Modern Slavery Policies.

5.5. Subcontractor Agreements

- (a) Druin has incorporated provisions in Subcontractor Agreements to address modern slavery risks.
- (b) These provisions require that a subcontractor:
 - (i) must not engage in any practice which amounts to modern slavery practices;
 - (ii) must comply with any codes of practice, guidelines and directions issued by us or under any law; and
 - (iii) must ensure that the subcontractors maintain and make available all records and assist and cooperate with us in connection with any audit of records to ensure that we are complying with our obligations under relevant modern slavery

- laws.
- (c) Druin takes the following actions prior to, and during, the engagement of subcontractors:
 - (i) communicating to the subcontractor the expectations of Druin in relation to compliance by the subcontractor (including all persons employed, contracted or engaged by the subcontractor) with relevant modern slavery laws;
 - (ii) undertaking an appropriate assessment and due diligence to understand the measures the subcontractor has in place to minimise and mitigate the risk of modern slavery occurring within the business of the subcontractor and any of the operations or supply chains of the subcontractor.

6. EFFECTIVENESS OF ACTIONS TAKEN

- (a) Druin recognises the importance of measuring the effectiveness of different actions taken to assess and address modern slavery risks and compliance with relevant modern slavery laws.
- (b) For this reporting period, we have measured the effectiveness of actions taken as follows:

Action	Measurement of Effectiveness
Responsible Team Members	The Responsible Team Members, together with management, have taken steps to identify and address modern slavery risks.
Due Diligence Process	The Responsible Team Members will continue to develop and improve on the actions already taken. Druin will continue to undertake due diligence in relation to the operations and supply chains . This will help to identify new or

<p>Modern Slavery Policies</p>	<p>emerging modern slavery risks.</p> <p>By undertaking a due diligence process, we are able to determine whether a subcontractor should or should not be engaged</p> <p>Druin has various policies (including the Modern Slavery Policies) which provides the foundation for how we identify, assess, address, minimise and mitigate modern slavery risks.</p> <p>These policies are reviewed and stakeholders are updated of relevant changes.</p>
<p>Subcontractor Agreements</p>	<p>Druin has incorporated provisions in our subcontractor agreements which address modern slavery risks. This is an important step as it provides Druin with contractual rights to take action or terminate agreements with subcontractors who are found to be engaged (directly or indirectly) in modern slavery practices.</p>

7. MODERN SLAVERY ACT REPORTING CRITERIA

Modern Slavery Act Reporting Criteria	Relevant Section in this Modern Slavery Statement
1. Identify the reporting entity	Introduction; Our structure, operations and supply chains
2. Describe the structure, operations and supply chains of the reporting entity	Our structure, operations and supply chains
3. Describe the risks of Modern Slavery practices in the operations and supply of the reporting entity, and any entities that the reporting entity owns or controls	Risks of modern slavery practices in operations and supply chains
4. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Actions taken to address modern slavery risks
5. Describe how the reporting entity assesses the effectiveness of such actions	Effectiveness of actions taken
6. Describe the process of consultation with any entities that the reporting entity owns or controls	Not applicable
7. Provide any other information that the reporting entity, or the entity giving the statement, considers relevant	Introduction

This statement was approved by Alan Stephenson:



Sole Director
 Druin Pty Ltd ACN 003 062 379 as trustee for Druin No.
 3 Trust (trading as Harvey Norman Commercial
 Division) ABN 11 530 188 684