



FY2022

# Modern Slavery Statement

DAVID JONES



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David Jones acknowledges the traditional custodians and owners of the lands on which our stores are located, Australia's First Nations people. We acknowledge the right of First Nations people to their traditional knowledge and cultural expressions. We commit to working collaboratively and ethically to increase First Nations inclusion in our business and the Australian fashion and lifestyle industry.



# Introduction & Executive Summary

Since 1838, David Jones has been a leader in fashion, beauty and home in Australian retail. Today, it is the world's oldest department store retailer still trading under its original name. Tradition and heritage are the foundations on which we have built this great retail business.

We have a history of innovation and reinvention to remain relevant, aligned and supportive of the communities and livelihoods of all those who rely on and trust the David Jones brand. The flexibility and adaptability of our store teams, support teams and our suppliers has never been more evident than over the past two years as we tackled the many challenges of COVID-19. We remain proud of the professionalism, integrity and the empathy shown by our teams throughout this time.

Transformation and innovation have always been in the DNA of David Jones, and we have harnessed this spirit as we developed the vision for the next stage of the David Jones story. David Jones released its Vision 2025+ in May 2022 which outlines the future principles, objectives, and strategies for David Jones. David Jones' vision is *"To be the destination that inspires, with experiences and service... like no other"*. Our key objectives include: to know and grow our customers; to be an omnichannel curator of world class brands; to deliver seamless service and experience; and to transform our capabilities to allow our people and our business to thrive.

The transformation stage has involved a strategic review of the David Jones food business. This was covered as a "work in progress" in our FY21 modern slavery statement. We are proud to report significant progress on the rebuilding of our food business, including an exit from many of the fresh food suppliers. The number of factories producing Private Label food dropped from over 120 to just 41 during the FY22 period. All 41 of these factories have been re-engaged in the Approved Factory Program (AFP) and are either fully compliant or substantially compliant with all requirements of the AFP.

David Jones recognises that without diligence on our part, modern slavery has the potential to appear across and within all aspects of our business and throughout our supply chain and through our suppliers. Whilst risks may be prevalent in under regulated and underdeveloped countries and communities, Australia is not immune: As was recently reported by the Australian Federal Police, who published some disturbing statistics for reported cases of modern slavery in Australia<sup>1</sup>. The tactics needed to uncover modern slavery must remain agile, analytical and uncompromising.

We strive to contribute to global efforts to eradicate all forms of modern slavery. We value authenticity, connection and innovation, with a strong commitment to care for our people, customers and the community. In doing so, we seek to uphold the highest ethical standards in all that we do in the delivery of legal and business services.

We aim to eliminate modern slavery risks for our store, support centre and distribution centre team members through having robust and equitable employee contracts, the application of Enterprise Bargaining Agreements and a suite of policies that address specific risk vulnerabilities: For example our Discrimination, Harassment & Bullying Policy. Other codes relate more particularly to suppliers and factories, such as our Supplier Code of Conduct which now incorporates a reference to modern slavery. These policies are outlined in more detail within this report.

Within this FY22 modern slavery statement, David Jones identifies a number of initiatives that demonstrate our commitment to identify and eliminate cases of modern slavery and of human rights breaches.

<sup>1</sup> [https://www.afp.gov.au/news-media/media-releases/reports-human-trafficking-and-slavery-afp-reach-new-high?utm\\_content=buffer0b58e&utm\\_medium=social&utm\\_source=linkedin.com&utm\\_campaign=buffer](https://www.afp.gov.au/news-media/media-releases/reports-human-trafficking-and-slavery-afp-reach-new-high?utm_content=buffer0b58e&utm_medium=social&utm_source=linkedin.com&utm_campaign=buffer)



## “David Jones’ vision is: To be the destination that inspires, with experiences and service... like no other”

I am particularly proud of the Executive Committee participation in a focussed Modern Slavery Workshop during which we explored the provisions of the Act and agreed upon some future strategies and tactics. One of these was to raise the profile and awareness of Modern Slavery throughout the organisation via targeted e-learning modules<sup>2</sup>. We supported our suppliers so they continually grow and evolve, such as via an “Effective Grievance Mechanism” webinar provided for all Private Label suppliers, via Supplier Ethical Data Exchange (SEDEX) sponsorship being offered to “reluctant” suppliers/factories to encourage engagement, and via a supplier sentiment survey to determine the wellbeing and state of confidence of suppliers given the prolonged and invasive COVID related impacts. These initiatives, and others, are covered in more detail within the body of this report. We remain proud that we continue to make progress, building upon what we have reported in our previous statements.

David Jones’ actions are not conducted solely to meet obligations under the Modern Slavery Act 2018 (Cth) (MSA). Being “Responsible” is not only captured in our strategic values, but it also forms the basis of our broader sustainability and ethics commitments: What we call our “Good Business Journey” (GBJ)<sup>3</sup>. A central part of the David Jones Vision 2025+ strategy is to build on our 184 years of history and deliver a real legacy for Australia. With an increased focus leading up to 2025, David Jones has and will continue to partner with brands and concession businesses that are aligned to the David Jones values and share our commitment to being socially and ethically compliant.

I invite you to read our Modern Slavery Statement. We recognise that there are perpetual challenges to uncovering and addressing potential modern slavery risks in our operations and supply chains. We have strong and established governance and accountabilities and have clear plans for enhancing the maturity of our responsibilities view our legacy and position in society as a strategic

advantage. We remain proud of our actions to date and to our ongoing commitments to tackle future challenges: “*To inspire ... like no other*”.

This joint statement is published by David Jones Pty Ltd on behalf of the reporting entities listed in Appendix 1 and their owned and controlled entities (together David Jones).

On behalf of the Board of David Jones Pty Ltd, Vela Investments Pty Ltd and Osiris Holdings Pty Ltd this statement and its contents are formally acknowledged and approved on 15 December 2022.



**Scott Fyfe**  
Chief Executive Officer  
David Jones Pty Ltd

### Structure & Reporting Entity statement

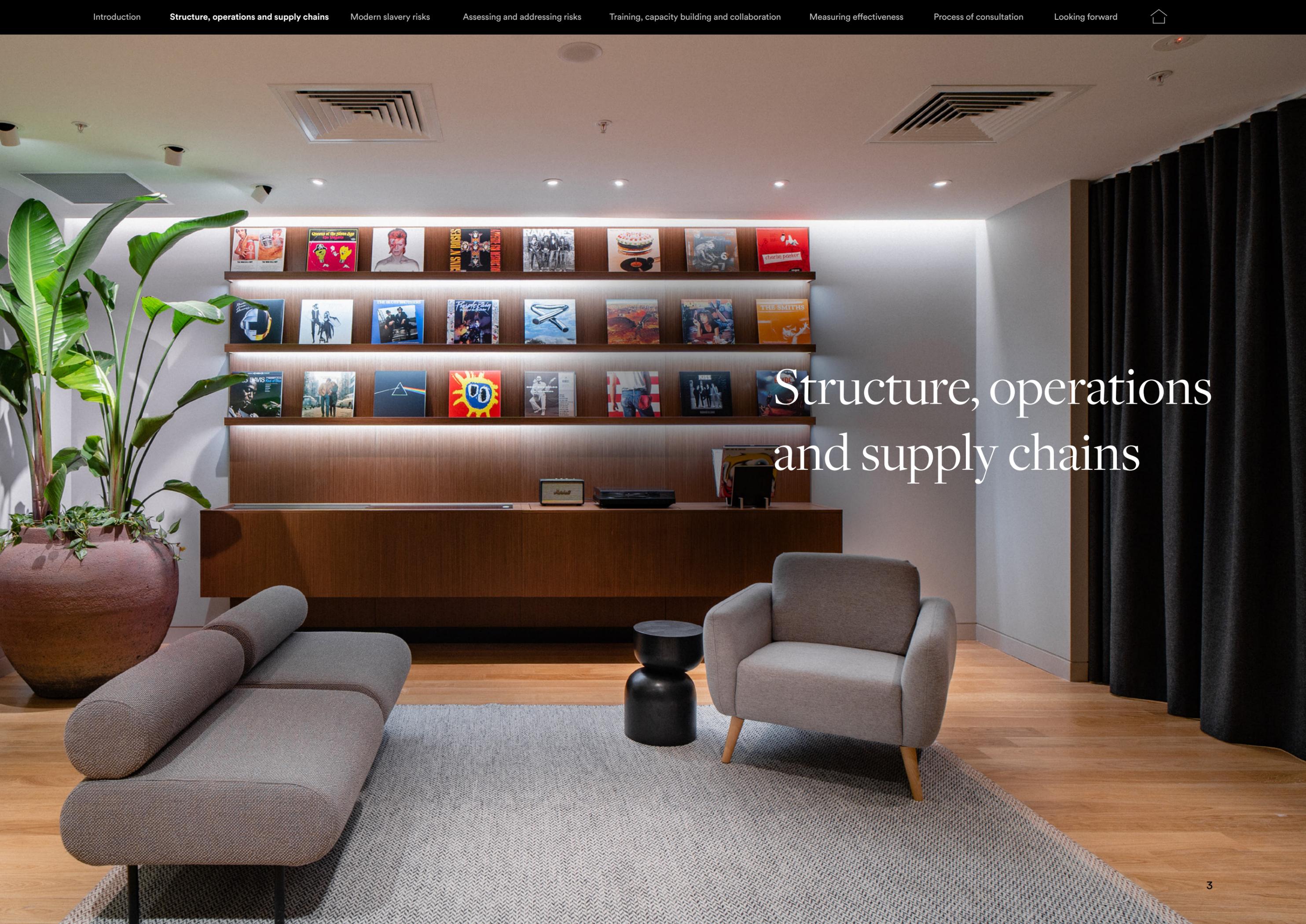
David Jones Pty Ltd (David Jones) is an Australian company (ACN 000 074 573) registered in Melbourne, Victoria. This statement has been published in accordance with the Modern Slavery Act 2018 (Cth) and describes the actions taken from July 1st, 2021, to June 30th, 2022, by David Jones, its Australian parent entities, and all their owned and controlled entities, to assess and address modern slavery risks.

This joint statement is made on behalf of all reporting entities namely David Jones Pty Ltd, Vela Investments Pty Ltd and Osiris Holdings Pty Ltd.

For clarity, Country Road Group Pty Ltd (Country Road Group) and its associated entities, who are also, like David Jones, ultimately owned by Woolworths Holdings Limited, will report separately via its own modern slavery statement. There is a degree of similarity between the modern slavery statements of Country Road Group and David Jones due to the centralised actions and processes undertaken by both businesses, largely via a shared head office support centre in Melbourne, Victoria.

<sup>2</sup> Learning modules are being developed alongside Pillar Two for roll out during FY23

<sup>3</sup> GBJ commitments apply to all divisions of Woolworths Holdings Limited, of which David Jones is one retail brand



# Structure, operations and supply chains



# David Jones

## OUR STRUCTURE

David Jones Pty Ltd is an Australian company (ACN 000 074 573) headquartered in Melbourne, Victoria, and is the oldest continuously operating department store in the world to still be trading under its original name.

David Jones' ultimate parent company is a South African business, Woolworths Holdings Limited (WHL), listed on the JSE.

David Jones Pty Ltd and David Jones (NZ) Pty Ltd are the only customer facing entities, however the David Jones corporate structure is made up of 23 companies which includes numerous non-customer facing entities which are involved in activities such as property arrangement, or are parent/holding entities.

## OUR OPERATIONS

David Jones sells apparel, footwear, accessories, homewares, beauty, gifts, electrical products, technology, and food under various trading arrangements described in this statement. These goods may be sold under David Jones' proprietary brands or under third-party brands or services from international and domestic suppliers with whom we partner through our stores or via our e-commerce channel. David Jones does not manufacture goods directly, but rather engages with a range of suppliers for the manufacture of goods sold under David Jones proprietary brands.

David Jones' main operations in FY22 involved the management of 43 physical stores<sup>4</sup> across Australia and New Zealand. During this reporting period David Jones reduced the footprint of the store portfolio with three (3) stores being closed during the year in Toowong (QLD), Barangaroo (NSW) and Wellington (NZ).



<sup>4</sup> Store count as at June 30, 2022



## “David Jones employed 6,500 team members across our retail department stores, with over 560 David Jones dedicated team members in our head office support centre”

David Jones employed 6,500 team members across our retail department stores, with over 560 David Jones dedicated team members in our head office support centre that we operated throughout the year. These team members undertook a range of activities including retail sales, product design, merchandise planning and fulfillment of on-line orders.

We also partner with American Express who provide financial services to our customers where David Jones’ responsibilities includes marketing and distribution of the American Express services.

Our head office support centre is located in Melbourne, Victoria where we employ nearly 1400 team members<sup>5</sup> on full-time, part-time and casual agreements across our buying, planning, marketing, store design, customer service and shared services teams which include supply chain, finance and our people team.

We utilise one leased and operated warehouse and distribution facility, and contract one third-party logistics warehouse to support the operations of our store network. Both facilities are located in New South Wales. The third-party provider was introduced three (3) years ago to support the David Jones distribution centre and to streamline direct-to-store deliveries. Along with our direct team members within the distribution centre, these facilities also use labour hire arrangements workers to receive, unpack and process TEU’s<sup>6</sup>, to fulfil stock for our store network and pick-and-pack millions of e-commerce parcels for our online customers.

### David Jones operations



Melbourne

Headquarters



2  
countries

Global store  
footprint



2x

Warehouse and  
Distribution  
centres

### David Jones team members



560+

Head office  
team  
members



6,330

Team members  
based in  
Australia



170

Team  
members  
based in NZ

<sup>5</sup> 1400 team members in total of which approximately 565 are dedicated to David Jones, over 360 to Country Road Group and the balance across shared and group services

<sup>6</sup> TEU – In freight terms, indication of a container unit of measure: “Twenty-foot Equivalent Unit”



“Suppliers who provide the goods we sell are managed through Buying Teams in collaboration with oversight from our Legal and Ethical Sourcing Teams.”

#### OUR SUPPLIERS AND SUPPLY CHAIN

As a department store, we have various trading arrangements with our suppliers across our premium store and online offerings which are primarily defined in four distinct ways:

1. Concessions – where third party brands operate their own ‘shop-in-a-shop’ area within David Jones stores, including fashion and accessories, beauty treatments, and food services.
2. Third-Party Brands – an arrangement through which we buy a selection of domestic and international brand merchandise from wholesalers/suppliers and then sell/retail products to consumers.
3. Private label – products that are designed & developed under our proprietary brand names, but which are manufactured and sourced on our behalf by a diverse range of third parties in numerous locations. Products include apparel, fashion accessories and homewares.

4. Non-trade procurement (NTP) – where goods and services that we do not sell are supplied to David Jones to support the operation of our businesses, including Information Communication Technologies (ICT), logistics, packaging, marketing, cleaning, and security services.

The above definitions of our trading arrangements with suppliers, brands and concessions are managed through our business, each with their own set of agreements and procedures. For example, suppliers who provide the goods we sell are managed through Buying Teams in collaboration with oversight from our Legal and Ethical Sourcing Teams. Suppliers engaged in non-trade procurement (NTP) activities are managed by our head office NTP Team.

#### FY22 products sold<sup>7</sup>

28m

Total units<sup>8</sup>  
transacted

67%

Third-Party  
Brands  
(% units  
transacted)

24%

Concessions  
(% units  
transacted)

9%

Private Label  
(% units  
transacted)

<sup>7</sup> Merchandise units (including Food) – FY22 sales data provided from Merchandise Information Specialist (Figures rounded for clarity)

<sup>8</sup> “Unit” means an item of merchandise sourced for retail sale



## OUR FOOTPRINT – PRIVATE LABEL SUPPLY CHAIN

We sell a range of products under our private label propriety brand labels, listed in Appendix 3. We engage with suppliers and factories from a number of countries worldwide who support us to develop and manufacture these products on our behalf.

In this reporting period, our private label goods were manufactured, assembled, packed or finished in 118 Tier 1 “fashion and general merchandise” factories and 41 food business sites, sourced from 16 countries as set out below. The decrease in food factories is a direct result of strategic realignment of the David Jones food business, with the majority of exited factories being Australian based supplies of fresh foods.

These factories and sites are routinely updated on our interactive factory map located on our corporate website<sup>9</sup>.

<sup>9</sup> <https://www.davidjones.com/gbj>

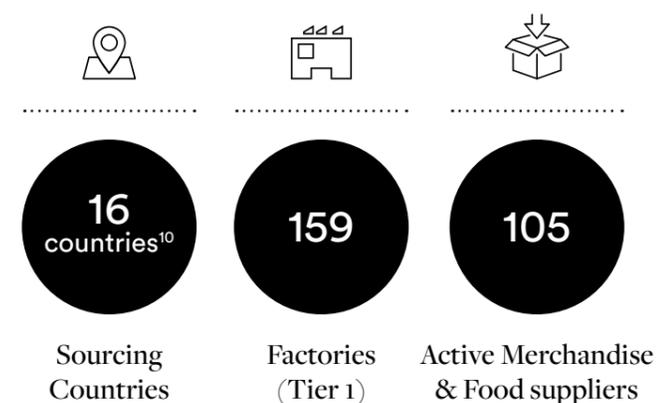
<sup>10</sup> Based on location of factories

For private label products, we see transparency as a critical part of meeting our responsibility to respect human rights, in line with the UN Guiding Principles on Business Human Rights (UNGPs). We continue to investigate tools and strategies for deeper mapping of our private label supply chain. As an example, in FY22 we have increased the percentage of our factories mapped, along with adding information which may be relevant to modern slavery risks including:

- Number of workers at the factory site,
- Percentage of women workers,
- Percentage of international migrant labour used at a site.

We aim to continue to trace our supply chain further and to deepen our knowledge of our Tier 1 factories and beyond.

“We see transparency as a critical part of meeting our responsibility to respect human rights”



Private Label – Goods for sale Country of Origin	Private Label (Tier 1) factory sites
China	79
Australia	23
Italy	18
India	17
South Africa	8
Others	14



## “The non-trade goods and services that we procure may involve domestic and international production activities”

### OUR NON-TRADE PROCUREMENT (NTP) GOODS AND SERVICES

The non-trade goods and services that we procure for the support of the operations of our business activities are purchased from 92 major suppliers across eight major categories of non-trade procurement. These 92 major suppliers<sup>11</sup> represented 95% of the total non-trade spend for David Jones in FY21.

The goods and services we procure within our Non-Trade categories include:

- Logistics services, including freight and distribution (29%),
- Information Communication Technologies (ICT) equipment including computers, digital applications, and telecommunications (12%),

- Marketing materials and services, instore bags and collateral, and instore fixtures and fittings (15%),
- Real Estate and Facilities Management Services including cleaning and security personnel (23%).

The majority of NTP suppliers have their businesses incorporated and located in Australia. However, the non-trade goods (including raw materials and components used) and services that we procure may involve domestic and international production activities. For example, our in-store bags may be produced overseas.

Modern slavery within the service sectors, such as those used in providing logistics and cleaning for David Jones, is recognised as a high-risk environment.

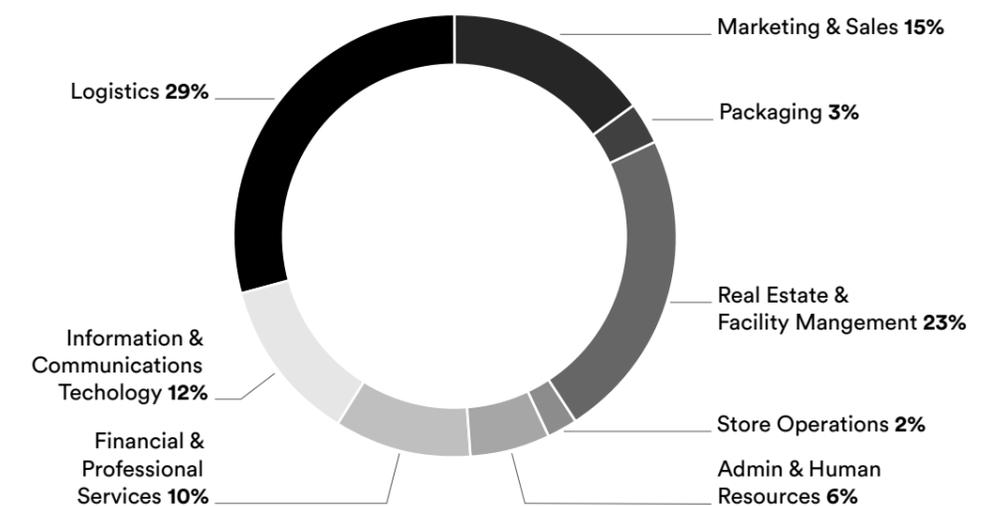
92

Major NTP Suppliers represent more than 95% of NTP spend

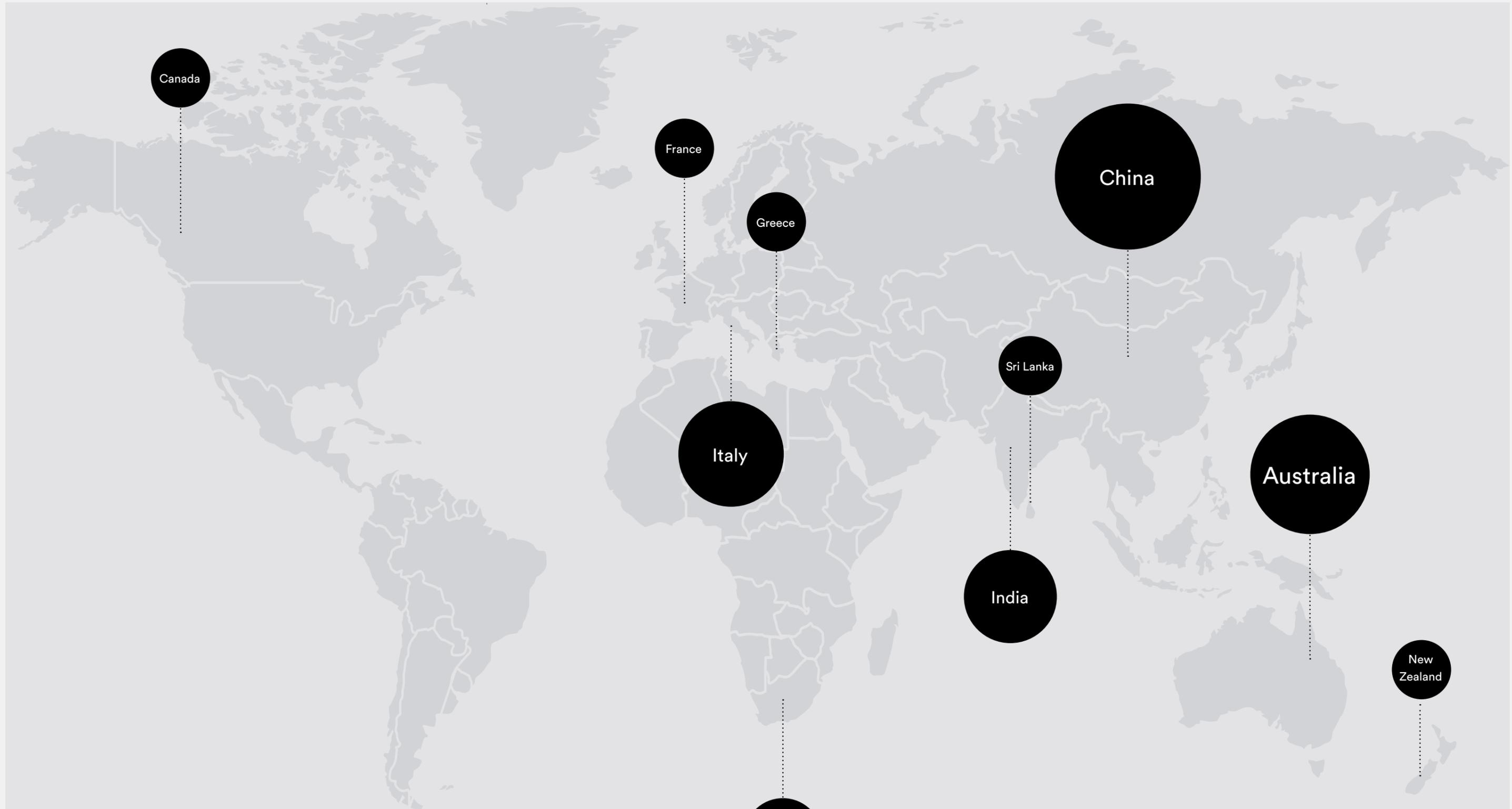
65%

of total NTP spend represented by Real Estate, Facilities Management, Marketing and Logistics

NTP spend by category (%)



<sup>11</sup> 92 major suppliers. Redefined for FY22 statement as having annual spend of over \$200,000 In excess of 150 small-scale NTP suppliers.



David Jones private label  
top 10 sourcing locations



# Modern slavery risks



# Modern slavery risks in our supply chains and operations

David Jones recognises that the risks of modern slavery exist in the operations and supply chains of all businesses, including our own. We take an active role in identifying, assessing and addressing the risks of modern slavery across our operations and supply chains.

Modern slavery describes ‘situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom’.<sup>12</sup> The MSA defines modern slavery as including eight forms of serious exploitation, which are explained in Appendix 2.

Consistent with the [UNGPs](#) and the Australian Government’s [official guidance](#) about the MSA, we understand modern slavery risks to mean the risk that we may ‘cause’, ‘contribute to’, or be ‘directly linked to’ modern slavery. These terms are explained below.

Key term	Explanation	Hypothetical example relevant to the fashion sector
<b>Cause</b>	A business may <b>cause</b> an adverse human rights impact, such as modern slavery, where it causes the impact through its own activities or omissions.	For example, a security company could cause modern slavery by exploiting the contracted workers it uses to provide security services.
<b>Contribute to</b>	A business may <b>contribute to</b> an adverse human rights impact, such as modern slavery, where its actions or omissions facilitate or incentivise the impact to the extent that the harm would have been unlikely to occur without them.	For example, a fabric wholesaler could contribute to modern slavery where it requires its suppliers to reduce costs to a level that could only be achieved by using exploited workers.
<b>Directly Linked to</b>	A business may be <b>directly linked to</b> an adverse human rights impact where its operations, products or services are connected to the impact through the actions of another entity with which it has a business relationship (such as a supplier) but the business has not caused or contributed to the harm.	For example, a food and beverages company could be directly linked to modern slavery where it manufactures products made using raw materials produced by another supplier deeper in the supply chain who engages in modern slavery.

## CASE STUDY 1

### Non-Trade Procurement – Risk assessment

David Jones is a large business with diverse operations. Non-Trade Procurement operates in and across various sectors including Real Estate & Facility Management, Logistics, Marketing & Sales, Information & Communication Technology, Finance & Professional Services, Admin & Human Resources, Store Operation and Packaging. Some of these categories represent a higher risk of modern slavery based on the inherent characteristics of the industry in which they operate, the region in which they are located or due to the commodities they trade in.

To increase our visibility of modern slavery risks within non-trade supply, a Modern Slavery Cross-Functional Team (CFT)<sup>13</sup> with a non-trade focus has been formed. This group meets monthly to review progress, reflect on emerging trends/issues and to set the agenda for future modern slavery initiatives.

David Jones has over 260 Non-Trade suppliers.

During the reporting period, the CFT has risk-assessed over 150 non-trade suppliers<sup>14</sup>. Risk of modern slavery was assessed based on the annual spend with the supplier, whether they have a published mandatory or voluntary modern slavery statement and the presence in the supplier of policies around modern slavery and human rights due diligence. The assessment identified 19 potentially high-risk suppliers from Logistics, Store Operations, Packaging, Marketing and Sales, Real Estate, Facilities Management and Human Resources categories.

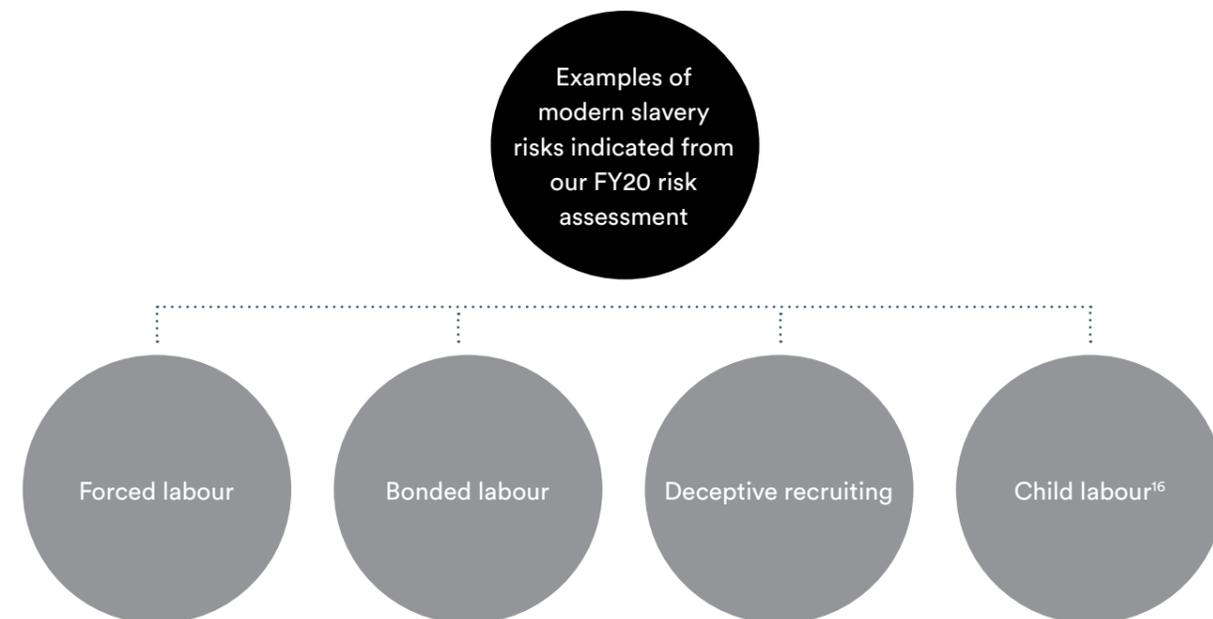
These 19 “at-risk” suppliers were then asked to respond to a short 11-question survey which consisted of questions about their supply chain management, labour hire processes, supplier codes of conduct, social compliance management processes, use of migrant workers, fair wage commitments & annual spend with the business. Survey responses are being scored to allow those with the greatest exposures and gaps to be clearly identified. As the survey was only released in June 2022, the survey responses are still being collected. Early indications are that the survey is an effective tool and its use will be expanded during FY23.

SEDEX has recently recognised that greater scrutiny and monitoring of human rights risks is needed in the service sector. The SEDEX risk assessment and data collation approach is substantially aligned with the direction taken for CRG/DJs non-trade risk assessments. This reinforces our confidence in the approach being taken with these non-trade suppliers.

<sup>12</sup> [Australian Government Guidance for Reporting Entities](#)

<sup>13</sup> CFT core membership includes representatives from the Ethical Sourcing Team, Non-Trade Procurement Team and the Legal Team

<sup>14</sup> Representing a combination of CRG and David Jones non-trade suppliers



## MODERN SLAVERY RISKS

The modern slavery risk assessment conducted in 2019<sup>15</sup> continues to be of relevance today and remains a useful reference source as we address identified gaps and risks. This risk assessment indicated that while we are unlikely to cause or contribute to modern slavery risks in our operations or supply chains, we may be linked to areas of modern slavery risk in our extended supply chains. However, we acknowledge that changing contexts means that David Jones needs to be vigilant to any behaviour that could lead it to move to ‘contributing’ to modern slavery.

Applying the information gathered from our modern slavery and human rights risk assessment and reviewing the ongoing activities in our operations and supply chains, we consider

that the most relevant types of modern slavery exposures for David Jones are:

- Forced labour,
- Bonded labour,
- Deceptive recruiting,
- Child labour (the worst kinds of child labour).

We monitor both macro risks and any specific risks that may be associated with the businesses engaged in our operations and supply chains. We source information on these risks from various resources including desktop research, media monitoring, industry expert advice, multi-stakeholder initiatives, non-government organisations, industry partners, peers and our suppliers. We are conscious of COVID-19 and the associated modern slavery risks heightened by the pandemic both internationally and domestically.

Although the geographical locations of our head office and stores is concentrated in Australia,

modern slavery risks remain real and can be pervasive, particularly when the activities and location of our supply chain partners and their sub-suppliers are taken into account. Key risk factors for modern slavery relevant to our operations and supply chains may include:

- Use of migrant labour or unskilled labour where workers are more vulnerable to exploitation, leading to situations of bonded labour or forced labour,
- Unauthorised subcontracting which could unknowingly introduce modern slavery during the production of goods or provision of services,
- Potential involvement of children in extended supply chains, including in hazardous or harmful work, such as the production of raw materials
- Extreme working conditions such as excessive overtime hours or lack of rest days,
- Underpayments of wages or social insurances, and
- Lack of transparency and willingness to collaborate.

The global food, clothing and textile industry has been largely dependent on human labour. Globalisation of supply chains has increased the global exposure to modern slavery risks in emerging economies which have built their competitive advantage through the supply of low-cost labour and international trading arrangements and David Jones is no exception.

The correlations between low skilled labour and labour-related issues occurring through the exploitation of an uneducated and vulnerable workforce has been widely documented. We seek to directly assess and address these particular risk indicators through our contractual agreements, codes and policies, our AFP, broader ethical sourcing actions with our suppliers, and via our employment arrangements with our direct workforce.

<sup>15</sup> Report was prepared by ELEVATE, an independent third-party organisation with human rights expertise

<sup>16</sup> Modern Slavery Act 2018 (Cth) defines “the worst forms of child labour”, however the reference above to “child labour” refers to more prevalent general child labour risks



# Potential modern slavery risk areas in our operations and supply chains

	 <b>Industry risks</b>	 <b>Geographic risks</b>	 <b>Commodity risks</b>
<b>Context</b>	<p><b>Industry specific risks</b></p> <p>Key sectors associated with the products we procure for retail and non-trade use such as food, electronics, garment and footwear sectors are recognised as high-risk sectors for modern slavery globally, including due to the widespread use of migrant labour and high levels of subcontracting. There are also risks associated with the transport and logistics sector, including in relation to the warehousing and shipping of merchandise and other products. These risks are likely to have been heightened by COVID-19, including due to factors such as restrictions on seafarers leaving vessels and increased use of temporary labour in distribution services. We also engage with service providers from high risk sectors to support our operations, including cleaning and security contractors.</p>	<p><b>Countries we source from</b></p> <p>We source and procure goods for retail and not for trade from a range of countries, including countries which may have a higher vulnerability to modern slavery due to factors such as poor rule of law. For example, we may be exposed to geographic risk factors through fashion supply chains for our private label or third-party brands or for the goods and equipment we use to operate our business such as ICT.</p> <p>We recognise the extended impacts of COVID on workforces globally, with labour shortages in all regions of supply leading directly to reductions in production capacities. This increases the risk of excessive overtime being used to fulfill order commitments and to creating environments within which modern slavery risks may appear.</p>	<p><b>Cultivation of Raw Materials</b></p> <p>Key agricultural commodities have been widely documented to be of higher risk of potential modern slavery. These include mined minerals used in the third-party beauty products and electrical goods we sell, and the harvesting and cultivation of commodities such as cotton used in our fashion items. These commodity risks are often associated with the production of raw materials and so may occur deep in our extended supply chains.</p> <p>David Jones is aware of the global focus on high risk regions for sourcing cotton. By example: cotton being produced in countries with alleged state sponsored forced labour. Through our AFP we can identify that no Private Label products are produced within these regions.</p>
<b>Potential hypothetical examples</b>	<ul style="list-style-type: none"> <li>Workers harvesting raw materials such as cotton and minerals for beauty products could be subject to exploitation in our extended retail supply chain.</li> <li>Workers involved in manufacturing activities, such as factory workers producing apparel or assembling electronics, could be exploited by factory managers in our extended retail supply chain.</li> <li>Logistics workers involved in the warehousing and distribution of products (including seafarers) could be subject to exploitation.</li> <li>Workers involved in the manufacturing of not-for-retail products such as IT equipment could be subject to exploitation (including workers involved in the sourcing of raw materials).</li> </ul>		

We continue to monitor the modern slavery risks in our specific businesses as well as at an overarching corporate group level. These additional risks are identified and noted within our Good Business Journey Sustainability Reports<sup>17</sup> published by our parent company Woolworths Holding Limited (WHL) headquartered in Cape Town, South Africa.

<sup>17</sup> <https://www.woolworthsholdings.co.za/sustainability/reports/>



# Assessing and addressing risks



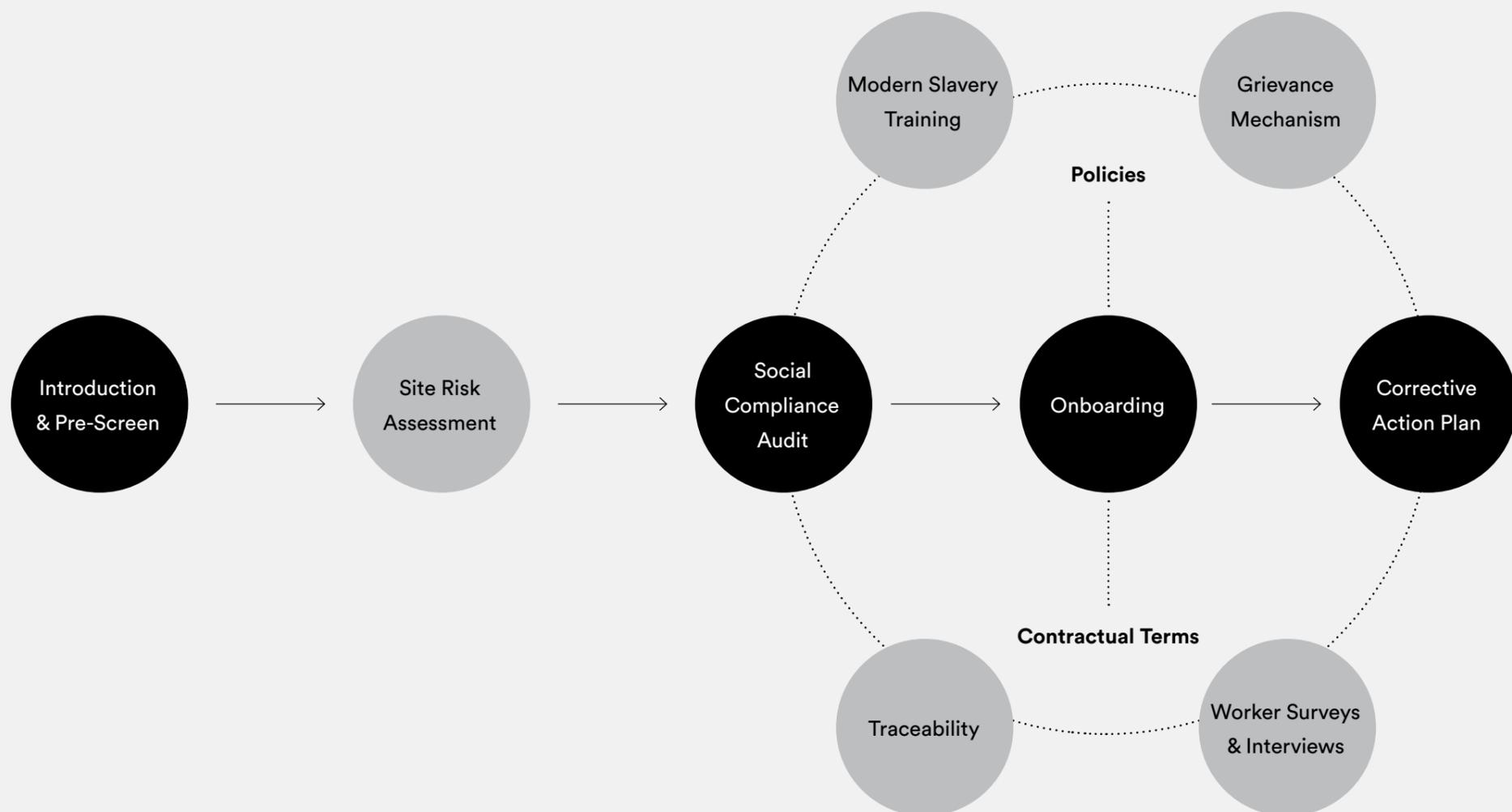
# Assessing and addressing risks of modern slavery

We identify, assess, and manage modern slavery and broader human rights risks in an agile and adaptive manor through our People, Legal, Risk and Ethical Sourcing Teams where we use controls against these risks to help mitigate harm to others.

We continue to utilise a suite of tools which include policies, contractual agreements, self-assessment questionnaires and audits deployed throughout our supply chain (as depicted above). In this reporting period, we worked with the Country Road Group on various joint initiatives to improve our procedures and to go “Beyond Compliance” to promote worker voice within the supply base.

This section of the statement:

- explains how we have integrated modern slavery into our governance structure;
- outlines our policy framework; and
- explains our due diligence and remediation processes.



## Risk assessment framework

- Evolving processes and procedures
- Approved Factory Program (AFP) existing tasks

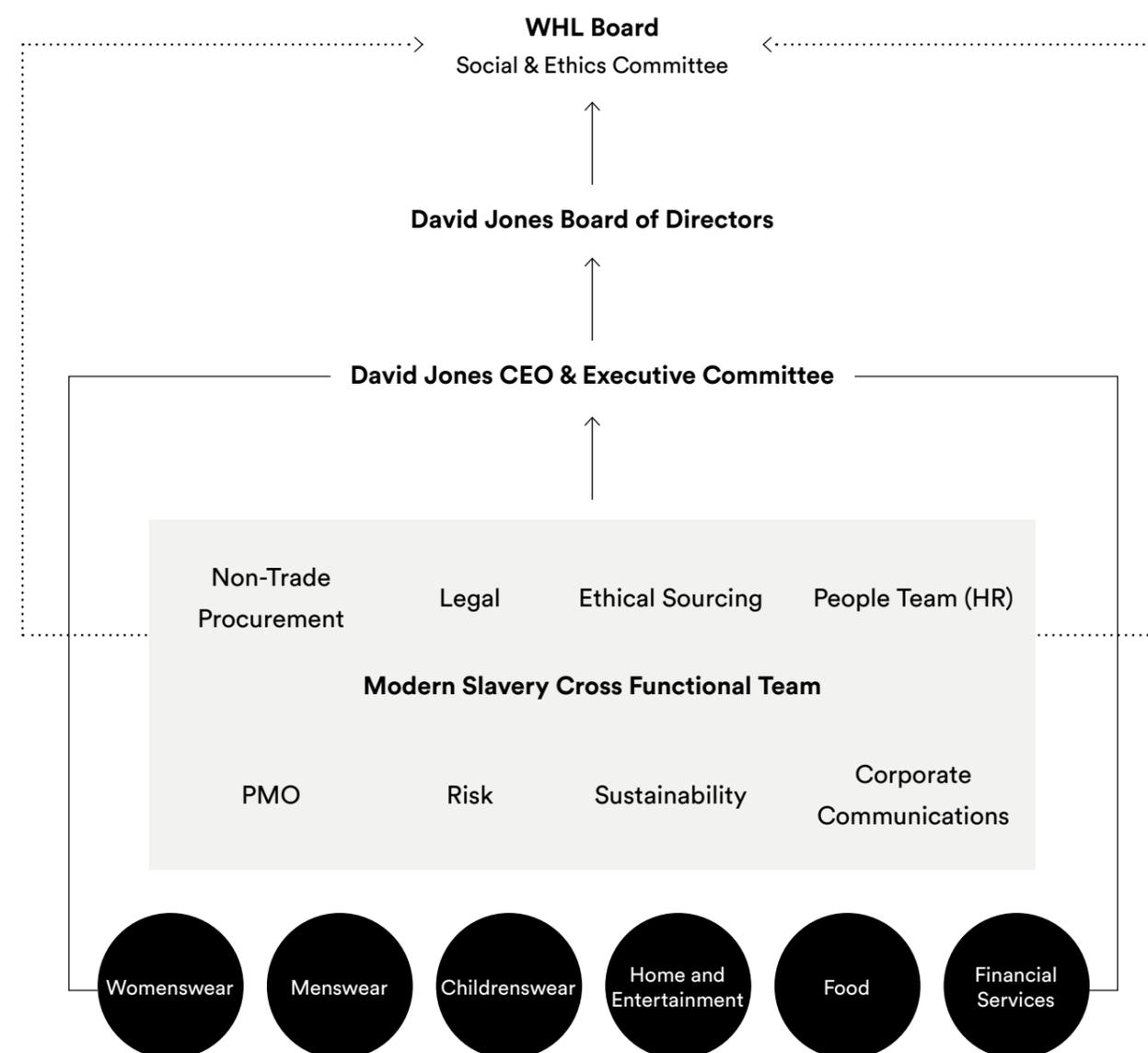


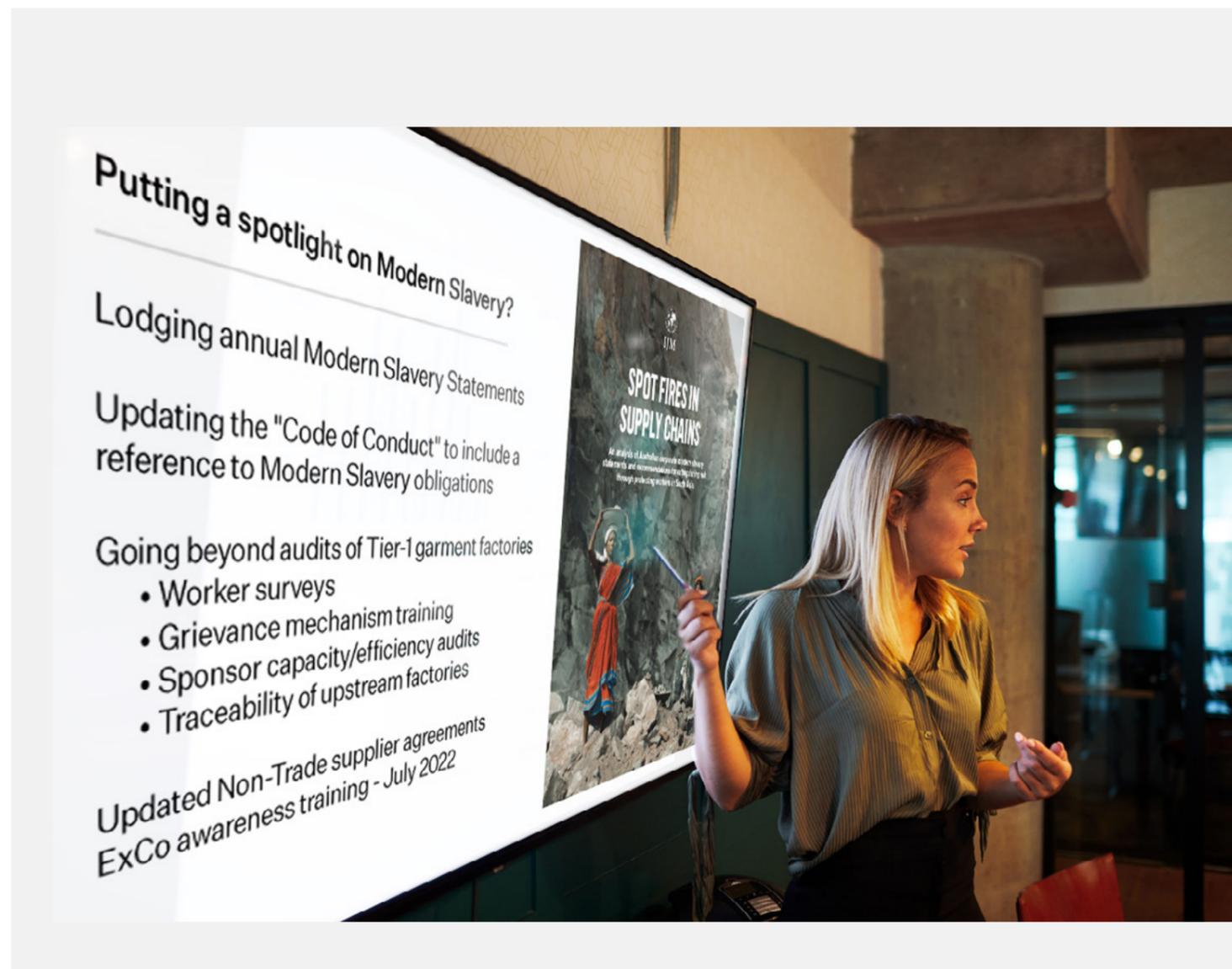
## GOVERNANCE

Human rights responsibilities (including in relation to modern slavery) are managed at the highest level across our companies and are integrated into our governance framework. The Board of David Jones is directly responsible for the activities taken by all owned and controlled Australian entities to assess and address modern slavery, including our reporting obligations under the MSA.

Our parent company, WHL, also has direct oversight on modern slavery actions and reporting through the WHL Social and Ethics Committee.

Our Modern Slavery Cross-Functional team (CFT), convened regularly throughout FY22 to share information on modern slavery actions across the business, identify and collaborate on embedding modern slavery and broader human rights knowledge further across our operations and supply chains, and provide key inputs and consultation in the development of this statement.





## CASE STUDY 2

# Putting a spotlight on Modern Slavery

Do our team members and business partners have a real comprehension of “modern slavery” and its pervasive nature? Are perceptions still grounded in “slavery” as it has been historically portrayed and a belief that this is a developing nation problem that does not occur in developed countries such as Australia? Modern slavery is not just a developing nation problem. In fact, the Australian Government estimates that there are up to 1900 victims of modern slavery in Australia at any one time, and that for every one that is identified by the AFP, four go undetected.<sup>18</sup>

How do we change these misperceptions and put a spotlight on “modern slavery” that more clearly demonstrates that human rights risks are potentially hidden within our own operations and within our extended supply chains? Through persistence and patience as we train and educate all stakeholders.

David Jones takes its commitment to modern slavery seriously from the top down with its senior leadership committed to strengthening its response. By example: The David Jones Executive Committee (ExCo) – including the CEO Scott Fyfe – participated in a modern slavery workshop for senior managers conducted by human rights specialists: Pillar Two. This session involved a strategic briefing about modern slavery risks for David Jones and how they are being managed, as well as an update on evolving legislative frameworks and discussion of opportunities for ExCo to further refine David Jones’ response to demonstrate David Jones’ commitment beyond just compliance.

Pillar Two is now developing modern slavery training modules for the next tier of management to assist them to better understand possible modern slavery for our business. To ensure all DJs team members are aware of modern slavery, including red flags, and what to do if they identify modern slavery, Pillar Two is also developing broader and modern slavery e-learning awareness modules for all DJs team members.

<sup>18</sup> Australian Institute of Criminology Statistical Bulletin 16 [Estimating the dark figure of human trafficking and slavery victimisation in Australia \(aic.gov.au\)](https://www.aic.gov.au)



“The suite of codes and policies helps to effectively manage modern slavery and human rights risks in our supply chains and our operations.”

#### POLICY CONTROLS

David Jones has a clear set of codes, policies and protocols with which our people and suppliers are required to adhere. These codes and policies operate equivalently and consistently across the full group, including owned and controlled entities. This suite of codes helps to effectively manage modern slavery and broader human rights risks in our supply chains and our operations. We understand that the implementation of these policies should focus not only on the risks to the business, but on preventing and addressing risks to people.

Some of the key control documents and policies include:

Policy, Protocol or Mechanism	Description
Employment Contracts	Formal legal agreements between David Jones and team members which clearly specifies each party's responsibilities including in regard to adherence to laws, our codes and policies
Award/Enterprise Agreements	Formal agreements setting our terms and conditions of employment, wage rates, overtime rules and leave arrangements for wages Team Members
Employee Code of Conduct	Details the standards of behaviour and ethical conduct expected of team members
Workplace Behaviour and EEO Policy	Set out obligations to behave appropriately in the workplace and provides guidelines on how to access support and how to resolve a complaint
Discrimination, Harassment and Bullying Policy	Provides guidelines and processes for resolution of concerns in relation to workplace behaviour
Whistleblower policy	Provides guidance on how improper or criminal conduct (such as instances of Modern Slavery) can be confidentially disclosed and will be investigated
Ethics Hotline Procedure	Ethics Hotline calls, emails and website submitted complaints/ tip-offs and whistleblower complaints are received, escalated and managed
Grievance and Dispute Resolution Policy	Designed to raise awareness about, and provide a fair and just working environment, by ensuring that team members have access to processes for the resolution of genuine personal grievances relating to the workplace
Supplier Agreements	Formal legal agreements between David Jones and suppliers which clearly specifies each party's responsibilities including in regard to adherence to laws, our codes and policies.
Supplier Code of Conduct	Sets out the expectations of our suppliers in relation to health and safety, labour rights
Ethical Sourcing – Approved Factory Program	Framework for all suppliers and factories to adhere to when supplying goods for sale to our business



**“We are pleased to report that the audit detected zero cases of short payment of entitlements to employees or contractors used by the cleaning services provider.”**

The above formal arrangements bind and guide our business, team members and suppliers. They help to ensure that we mitigate the risks of modern slavery occurring in our operations and supply chains. They set clear obligations and expectations on parties and where stated, these requirements are expected to be promoted and applied in sub-supply chains. These policies are clearly communicated to team members and suppliers via our onboarding requirements, employment or supplier contracts, via the internal intranet, or publicly on our websites.

Team members are trained at regular intervals throughout the year through our corporate governance program, as well as additional engagement in FY22 at our Governance Week training on codes, policies and modern slavery seminars.

Within the FY21 Statement, David Jones advised that we had strengthened the contractual arrangements with the store-cleaning services provider, adding clauses specifically aimed at addressing and reducing the risks of modern slavery being used in these services. The terms of the revised agreement included a provision for independent audit to ensure effective and appropriate controls over employment provisions and payment structures, including payment of subcontractors.

During FY22, the independent audit clause was enacted. We are pleased to report that the audit detected zero cases of short payment of entitlements to employees or contractors used by the cleaning services provider.

#### ASSESSING AND ADDRESSING OPERATIONAL RISKS

Our direct team members are employed on a full-time, part-time or casual basis and are covered by Enterprise Bargaining Agreements, relevant Award or Individual Employment Contracts, depending on their position and work location. Prior to beginning their employment, team members are provided copies of agreements that cover the relevant employment laws that protect them from situations that may lead to modern slavery.

These employment provisions, along with our policies detailed in this statement, provide a strong framework to help ensure modern slavery does not occur in our direct operations. Furthermore, as our operating businesses are bound by national laws including the Fair Work Act and National Employment Standards, we once again assess the risks of modern slavery occurring in our direct operations as low.

Our People Team regularly review our employment agreements and our internal people policies to ensure that they meet, and where possible exceed, legal requirements.

David Jones supports the right to organise, and within our operating warehouses, workers are active members of two unions.



“Our people team regularly review our employment agreements and our internal people policies to ensure that they meet, and where possible exceed, legal requirements.”

#### LABOUR SERVICES SUPPORTING OUR OPERATIONS

During the FY20 reporting period, we undertook a risk assessment with an expert third-party organisation to identify potential areas of modern slavery risk across our operations supply chain. The findings and guidance contained within the risk-assessment remain as relevant today as when first conducted, although we do note the complexity and evolving nature of our supply chains which would impact on previous risk assessments. Applying information gathered from this risk assessment and reviewing the ongoing activities in our operations, we consider the most likely types of modern slavery for David Jones in the FY22 reporting period were Forced Labour and Debt Bondage.

#### ASSESSING AND ADDRESSING SUPPLY CHAIN RISKS

During this reporting period, we actively reviewed our due diligence activities, strengthened our internal processes and initiated pilot projects that will continue to inform and progress our efforts in coming years.

#### OUR DUE DILIGENCE PROCESSES

Our human rights approach, which includes preventing and addressing modern slavery, is based on and aligned to the concept of human rights due diligence in the UNGPs, and includes:

- 1) Identifying and assessing actual and potential human rights risks (i.e. in our supply chain through third-party factory site audits),
- 2) Taking appropriate action and integrating findings across relevant company processes (i.e. including through our cross-functional modern slavery team),

- 3) Tracking the effectiveness of measures and continuously monitoring results and progress (i.e. SEDEX online monitoring tool and risk reports),
- 4) Communicating our actions (i.e. through our WHL sustainability report, industry reports and via our websites, as well as moving forward through this statement).

All of our concession arrangements, third-party brands and private label suppliers are bound by various sets of contractual arrangements. These work to reduce the risks of modern slavery within the raw materials supply chain and during the manufacture of the goods that we sell.

For example, where a private label supplier is manufacturing goods which will be sold under the David Jones brand they must, under the David Jones Standard Supply Terms:

- a) permit David Jones (or its agent) to inspect the supplier’s factories or facilities where the goods are being manufactured to ensure compliance with both laws and David Jones standards;
- b) provide David Jones with full contact details for any sub-contractors engaged or assisting in the manufacture of the David Jones goods and/or any components of the David Jones goods so David Jones can conduct its own due diligence in relation to such sub-contractors; and
- c) only source raw materials that comply with the specifications provided by David Jones



## “Factories are assessed to identify workplace conditions indicators that may lead to, or be a red flag for, modern slavery.”

We recognise that our private label supply chain is the area in our supply chain where our own actions and decisions are more likely to influence the actions and decisions of our suppliers and where we have the most leverage to effect change.

Private label suppliers must adhere to our AFP, which is our due diligence process for private label suppliers to provide ongoing assessment of the factory sites that produce our goods (as detailed within previous statements<sup>19</sup>). Our AFP requires suppliers to register their Tier 1 factories on the SEDEX platform, complete self-assessment questionnaires, and where required provide a social compliance audit that covers the nine fundamental principles within our Supplier Code of Conduct which is aligned to the [ETI Base Code](#).

Through these audits, factories are assessed to identify workplace conditions indicators that may lead to, or be a red flag for, modern slavery. This provides our business and the suppliers' factories with clear corrective action plans to verify, remedy and close non-compliance issues. These assessments are administrated and monitored by our Head Office Ethical Sourcing Team, and findings from these assessments are recorded and reported on in both ad-hoc and regular reporting processes. The most critical issues, where immediate interventions are required, are escalated to relevant stakeholders and our executive level for awareness, consultation and approval of actions to address issues. Resolution may include termination of supplier relationships where required, but our aim is always to work with suppliers to resolve issues where possible.

### CASE STUDY 3

## Strategic redirection of David Jones Food business

In FY21 David Jones announced a revised food strategy to “... streamline its food offering in the next phase of its strategy to create a future-fit store portfolio and enhanced online business, designed to serve generations of customers to come.”. This strategy has been substantially acted upon during FY22, with the deletion of the entire private label fresh-food range and the exit from a wide range of long-life products, leading to a significant rationalisation of private label food suppliers. At the start of the FY21 financial year there were 114 active<sup>20</sup> food suppliers (across 147 active factories) which reduced to just 31 suppliers (with 41 active factories) by the end of the FY22 year.

The David Jones FY21 modern slavery statement advised that audits were substantially suspended for food factories as the food business' revised strategy was activated. During FY22, as clarity around the residual supply base was obtained, the remaining David Jones private label food suppliers were rolled back into the “Approved Factory Program” (AFP). At the end of June 2022, 98% of David Jones food factories were compliant with AFP requirements and 85% of these factories were registered on SEDEX, signalling a significant achievement to re-engage these suppliers within just a 6-month window.

The majority of food factories are based in Australia (51%), from which over 80% of our units are procured. The Ethical Sourcing Team is considering whether to introduce more robust audit and risk assessment protocols for local food suppliers which, if considered beneficial, would be activated during the coming year.

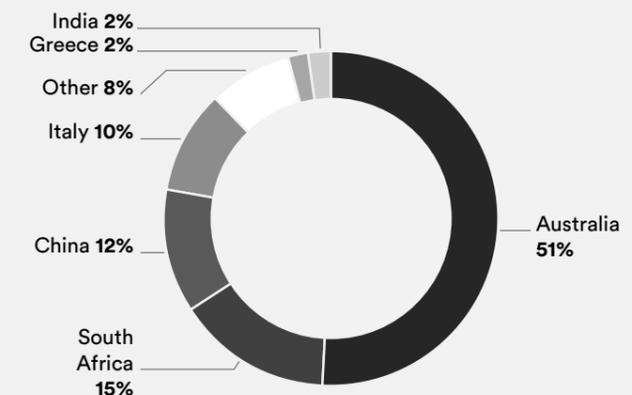
# 98%

of food factories were compliant with AFP requirements

# 85%

of these factories were registered on SEDEX

Location of food based factories



<sup>19</sup> Links to David Jones previous statements: [FY20](#) and [FY21](#)

<sup>20</sup> Active supplier meaning listed Active on Compliance Master document



According to our AFP, factories requiring audits are to be re-audited on a 2-year cycle. In FY22, 18 social compliance audits were completed (for existing Tier 1 factories). This is significantly fewer than reported in FY21 (40 audits) which is mostly attributable to the 2-year cycle for re-audits that have not required factories to be re-audited in this period. A smaller reduction is due to COVID related constraints restricting auditors from conducting on-site audits. Self-Assessment Questionnaires (SAQs) continue to be used as an alternate method for gathering information and for continually reinforcing expectations until such time as on-site and in-field audit activities return to normal.

As at 30 June 2022, David Jones had no private label factories with expired or overdue audits, and with 94% of all of these factories being SEDEX registered (98% for merchandise factories, 80% for food factories), the factory base is substantially compliant with AFP expectations.

SEDEX membership of food suppliers is lagging slightly due solely to the delays associated with rolling out the updated strategy.

In our FY21 statement we stated that David Jones was undertaking a review of the future position of the David Jones food business, so audits were substantially suspended for food factories until clarity was provided for the food business strategy. The turnaround strategy has been substantially delivered, and is covered within the food business case study.

During FY22 we continued to transition factories onto the SEDEX platform, including those strategic food-factories confirmed through the review process. 94% of factories (food and merchandise) are now onto the SEDEX platform<sup>21</sup>. FY22 shows a sharp increase on the FY21 result (48%) with the difference being mostly attributable to the exit from many food suppliers and bringing remaining food suppliers and their factories back into the AFP.



#### CASE STUDY 4

## SEDEX Sponsorship

As part of the AFP, David Jones requires Tier 1 factories (those who produce the finished products) to be registered with SEDEX. The information from this online platform provides increased visibility of factory risk profiles and enables active management of non-compliances. It is acknowledged though, that for some of the smaller suppliers/factories (such as those who may only be used seasonally), this requirement represents a significant time and cost outlay which may also feel overwhelming.

*To demonstrate our commitment to support and collaborate with suppliers, a sponsorship initiative to encourage SEDEX registration was introduced during the late stages of FY21.*

To demonstrate our commitment to support and collaborate with suppliers, a sponsorship initiative to encourage SEDEX registration was introduced during the late stages of FY21. The Ethical Sourcing Team nominates suppliers/factories that would benefit from sponsorship with eligibility being based on factors such as small annual spend, seasonal production, minimal order quantities, hardship factors and promoting good faith partnerships. The sponsorship involves the payment of the site's first year of SEDEX membership on the condition that the facility completes self-assessment questionnaires initially and then assumes accountability for membership fees in subsequent years.

The initiative was developed and launched by the Ethical Sourcing Team in late FY22. Though just recently introduced, two suppliers/factories have already accepted the offer of sponsorship. We plan to expand this approach during FY23.

<sup>21</sup> SEDEX – A system which provides increased visibility of factory risk profiles and enables active management of non-compliances and audit renewal schedules.



“There may be times where our expectations are not being met and we are committed to working with our supply chain partners to achieve change over time.”

No instances of modern slavery were identified through AFP audits during the reporting period ending June 30, 2022 although we did identify broader issues relating to excessive working hours and health and safety, which, if left unaddressed could potentially give rise to modern slavery practices. The following section explains how we are working to address these issues.

There may be times where our expectations are not being met and we are committed to working with our supply chain partners to achieve change over time. If a supplier is unwilling to remedy breaches, or has a zero-tolerance issue, David Jones has the right to terminate the trading arrangement if required.

Tier 1 factories, those producing merchandise for sale through stores and on-line, are most likely to have human resource risks directly linked to our businesses. For this reason, Tier 1 factories are captured in our AFP and undergo audits and assessments as part of our requirements. 100% of these merchandise factories retained AFP compliance as at 30th June 2022. During FY22, 15 new factories were added to AFP, with 90 becoming inactive: 82 being food suppliers and 8 being merchandise suppliers.

Despite generally acknowledged shortcomings associated with moment-in-time audits, social compliance audits remain an important tool for engaging our suppliers and factories. 18 social compliance audits (representing 11% of all factories) were conducted during FY22 with audit reports then assessed by the Ethical Sourcing Team.

Summary of our Approved Factory Program for FY22 across private label<sup>22</sup>



<sup>22</sup> Includes all categories of merchandise: Fashion, General Merchandise, Beauty and Food

<sup>23</sup> Impactt - an entity with expertise in addressing human rights anomalies within the China-based production of fashion goods



#### CASE STUDY 5

## Effectively addressing identified non-compliances

David Jones understands that human rights and labour rights violations are likely to be found in some areas of our supply chain. Violations may be detected during (but not limited to) factory-based social and ethical compliance audits. Risks and non-compliances identified through such audits will be classified – as critical, business critical, major or minor – with responses and actions prioritized accordingly.

It was reported in the FY21 statement that “excessive overtime” was the most common non-compliance identified in China based factory audits and that last year we partnered with Impactt<sup>23</sup> to develop a guidance document for internal teams to deal with “excessive overtime hours”.

Upon reviewing the guidance document during FY22, with its focus solely on “excessive overtime”, it was felt that the scope of the document was too narrow. David Jones expanded the focus of the document to provide broader guidance for addressing reported non-compliances of any type (i.e. beyond just excessive overtime hours), entitled “Guiding principles when dealing with critical non-compliances”. This document, now in its final stages of review, includes an end-to-end process for engaging stakeholders (such as buyers, suppliers and factories), developing agreed corrective action plans, monitoring progress and escalation where commitments are not being fulfilled.

It is anticipated that this updated guidance document will assist our teams during FY23 and beyond to effectively address identified non-compliances, and to thereby deliver on our commitments to contribute to the safety and wellbeing of workers in factories within our supply chain.



“We continue to explore processes and systems to strengthen our controls as part of our initial onboarding and continuous monitoring of our suppliers and their factories.”

#### EMBEDDING NEW CONTROLS IN OUR AFP

In accordance with the principles outlined in the risk assessment completed by ELEVATE in 2019, in this reporting period we continued to interrogate and identify areas requiring new controls to improve monitoring and management of modern slavery risks. These actions included:

- Access to site-risk pre-screening, utilising the [Supplier Risk Assessment Tool \(Radar\)](#) on the SEDEX platform, alongside our AFP onboarding process,
- Maintaining a **Critical Issues Tracking** tool where our Ethical Sourcing Team track critical issues within our AFP. The tool is then used during internal monthly non-compliance meetings to monitor and drive remedial action with suppliers,

- Updating the **De-registration list** for factories who have been off-boarded due to unresolved critical issues or to being unresponsive to remedial actions. The list can then be used to cross-check applications for new factories and to prevent relisting those deemed unsuitable and inappropriate based on historical evidence.

We continue to explore processes and systems to strengthen our controls as part of our initial onboarding and continuous monitoring of our suppliers and their factories.

We recognise modern slavery risks are more difficult to identify, assess and address within the supply chain of products supplied by third-party brands, as David Jones has no direct nor contractual relationship with those third-party supply chains. However, as many suppliers to David Jones are global and high-profile brands, David Jones is aware that a portion of such third-party suppliers are also subject to modern slavery reporting requirements.

The wide assortment of brands that use a complex array of factories, materials, distributors and extended services creates great challenges for analysing and influencing the product supply chains for multiple third-party brands. However, the David Jones' Supplier Code of Conduct still forms part of the engagement process for all new third-party brand suppliers. We note that some new suppliers have substantially equivalent Codes themselves, with these being mutually recognised in lieu of the David Jones' Code if deemed appropriate to do so by the Ethical Sourcing Team.

#### ADDRESSING CRITICAL ISSUES IDENTIFIED THROUGH AUDITS

In FY22, 6 critical non-compliances were found during audit reviews, the non-compliances identified were not in line with our expectations outlined in our Supplier Code of Conduct. The main critical issues found in AFP Tier 1 factory audits continued to be excessive working hours (including overtime and lack of rest days), and OH&S fire safety related issues. To prevent recurrence of non-compliances, David Jones engaged with industry experts to provide specific training and guidance to our Head Office Ethical Sourcing Team, suppliers and factories to address these issues, build capacity and empower factory management.



*Understanding the importance of effective and robust grievance mechanisms for fostering positive worker experiences and reducing human rights risks, the Ethical Sourcing Team hosted a grievance mechanism webinar for David Jones Private Label suppliers and their associated factories.*



## CASE STUDY 6

### Grievance Mechanism Webinar

“Grievance Mechanisms” in factories should be designed to allow workers to air grievances and report concerns about their treatment, as well as supporting businesses to understand when they may be involved in harmful practices like modern slavery. Such mechanisms should be trusted and accessible by workers without fear of retaliation from factory management. David Jones recognizes the potential that there may be barriers to workers’ reporting concerns through their factory-based grievance mechanisms. For example, in many factories the current grievance channel is often a suggestion box which is placed in an open area, close to management offices and sometimes even under surveillance. It is a one-way form of communication, lacking transparency and equity in its process.

Understanding the importance of effective and robust grievance mechanisms for fostering positive worker experiences and reducing human rights risks, the Ethical Sourcing Team hosted a grievance mechanism webinar for David Jones Private Label suppliers and their associated factories. There were over 100 on-line supplier-attendees<sup>24</sup>, with most suppliers assembling larger teams in board rooms to ensure wide participation. The session was recorded and shared with those unable to attend on the day.

The aim of the webinar was to help suppliers and factories understand:

- What is a considered or defined as a grievance.
- The importance of effective grievance mechanisms
- How factories can build the process in their businesses.
- Common myths about having a Grievance Mechanism

In FY21 we piloted the “WorkerApp”, with the help of ELEVATE (an industry leader in on-location worker engagement focussing on human rights), with one of our key suppliers. Both ELEVATE and the supplier were guest speakers in this webinar and shared their experiences with the implementation, roll-out, continued use and ongoing performance of the WorkerApp. This stimulated a lot of questions and discussion amongst attendees.

A post-webinar survey was sent out to all suppliers for them to self-assess their current procedures against the best-practice principles shared during the webinar. It seems most suppliers and factories rate themselves highly, which is not what we expected to see in the survey responses. Arranging independent assessments during FY23, using services such as those provided by ELEVATE, would seem an appropriate next step.

<sup>24</sup> Includes attendees from Country Road Group suppliers



“We continue to partner with our long-term suppliers, positively using our buying power where possible, and collaborating with peers to prevent, mitigate and remediate human rights risks”

#### LEVERAGE, COLLABORATION AND LONG-TERM RELATIONSHIPS

David Jones recognises that leverage plays an important role in making meaningful change. In line with the UNGPs we seek to increase our leverage where we can to influence more responsible behaviour including by our suppliers. We continue to partner with our long-term suppliers, positively using our buying power where possible, and collaborating with peers to prevent, mitigate and remediate human rights risks.

#### REMIEDIATION PROCESSES

David Jones has built further internal and external grievance channels to enable David Jones team members, in addition to workers in our supply chain, to raise concerns. Grievances relating to modern slavery or broader human rights risks such as the ‘physical conditions of work’ can be raised by David

Jones team members directly with our People Team as outlined in our Grievance and Dispute Resolution Policy. Further, David Jones has an externally managed, independent, ethics hotline and ethics email address through which issues can be raised by either team members or by employees of suppliers where they will be investigated confidentially and anonymously.

Within our supply chain, grievances can also be raised via our Ethical Sourcing email address listed in our Supplier Code of Conduct. Grievances are assessed and managed by our Legal and Ethical Sourcing teams to ensure outcomes and remedies are settled in accordance with internationally recognised human rights.

#### CASE STUDY 7

### Leverage through networking

Suppliers may use self-owned factories to produce merchandise and/or assemble a portfolio of independent factories to produce merchandise. All factories are captured within the AFP meaning designated factories are independently audited to ensure they operate in accordance with David Jones Codes and standards.

“Excessive overtime” is the most frequently occurring non-compliance identified through audits. When identified, David Jones expects the supplier to engage with factories to develop Corrective Action Plans (CAPs) that identify the root causes and commit to improvement actions. In the majority of cases, this is an effective and appropriate approach to addressing issues of concern. Addressing the non-compliance becomes more difficult though when suppliers have little leverage or influence over larger scale independent factories they partner with.

The Ethical Sourcing Team experienced such challenges in addressing audit non-compliances with a supplier and their denim factory based in China. The supplier was a small client for their factory, thereby having limited leverage over the factory to enforce corrective actions. The Ethical Sourcing Team identified that this factory was actually a major producer for high-profile international brands. The Ethical Sourcing Team was able to connect with one of these international brands and to then provide a detailed account of the excessive overtime audit findings. Though the international brand had not identified any analogous concerns through their own audit programs, they openly accepted the information provided and then took it upon themselves to engage directly with the factory.

It is often difficult to remedy human rights and other workplace non-compliance issues identified through factory audits. Typically, companies try to solve these on their own. This case demonstrates that there is real power in collaboration, especially if partnering with other companies with similar interests, risks and exposures who equally benefit from addressing the concerning practices. This approach aligns with UNGPs, that encourages businesses to seek out and use leverage where possible to ensure that they “do no harm” to people.





“It is a fundamental responsibility of our business to undertake or initiate remedial actions when we have identified that we have caused or contributed to the violation of human rights in our operations or supply chains.”

In FY22, we continued to review and improve our efforts for provide effective and appropriate issue resolution. We understand that it is a fundamental responsibility of our business to undertake or initiate remedial actions when we have identified that we have caused or contributed to the violation of human rights in our operations or supply chains. To date we have taken steps to address non-compliances found through our AFP, supplier agreements, codes and policies and instances of work-related violations, but none were identified as instances of modern slavery.

During this reporting period we were able to finalise an internal remediation procedure: “Factory Grievance Remediation Procedure”. This is a process and procedure guide for effective management of severe human rights issues in our supply chain including any suspected instances of modern slavery. While the procedure was developed in FY21, it was amended and implemented in FY22.



#### CASE STUDY 8

### Ethics Hotline

Whilst David Jones strives to be an ethical business, with robust policies and procedures to reduce the likelihood of human rights breaches, including modern slavery. However, instances of ethical misconduct may still arise. It is important that team members, customers, suppliers and contractors have an opportunity to report their concerns safely, confidentially and without fear of retribution. David Jones provides this opportunity through the “Ethics Hotline”.

The Head of Internal Audit provided an Ethics Hotline business update in May 2022 in which he stated “We rely on our team members, customers, suppliers and contractors to be our eyes and ears and report any ethical misconduct they may come across – to ensure we live our values, maintain community confidence and meet our ethical standards and obligations.”

The Ethics Hotline allows suspicious activities such as the following to be reported and investigated:

- Improper conduct such as an actual or potential crime, failing to comply with legal obligations or jeopardising health and safety,
- Highly sensitive issues in the workplace such as sexual harassment, bullying or racism,
- Disregard for internal policies or abuse of company property,
- Supply chain irregularities such as collusion or offering kickbacks to gain a tender,
- Abuse of authority such as using a position of power against team members or for personal gain,
- Concerns or suspicions of improper or illegal use and treatment of workers within CRG/DJs supply chain partners, including cases of suspected modern slavery.

The Ethics Hotline is another tool at David Jones’ disposal to help expose potential cases of modern slavery, to investigate appropriately and to take remedial action as necessary.

*It is important that team members, customers, suppliers and contractors have an opportunity to report their concerns safely, confidentially and without fear of retribution.*



This procedure includes:

- How an issue or grievance is identified, captured, assessed and escalated,
- How issues may be investigated, including relevant and internal members forming a Cross Functional Team,
- How remediation actions will be developed and agreed, which may include legal considerations,
- How the procedure is designed to protect the complainant's anonymity in order to prevent possible retaliation from employers or individual workers, and
- Any follow up training and monitoring required to ensure closure of the issue and to ensure no future harm to others.

The knowledge acquired through developing this remediation process has been used to support remediation of all types of non-compliance across our AFP. It has provided our Ethical Sourcing Team with added skills and understanding of issues, and the challenging processes that may be involved in identifying and managing precarious situations, and how to provide adequate remedy to victims.

#### CASE STUDY 9

## Grievance Remediation Policy

David Jones recognises the importance of workers having “access to remedy” as described in the United Nations (UN) Human Rights Council’s adoption of the [Guiding Principles on Businesses and Human Rights](#). The UNGPs set out expectations for businesses to respect human rights. The UNGPs identify that for a business to meet these responsibilities, it must establish or participate in effective operational level grievance mechanisms that enable the identification and remediation of any adverse human rights impacts.

During the reporting year David Jones finalised revisions to the “Factory grievances – Remediation procedure”, a document that outlines steps suppliers should take to remediate worker grievances. This policy also provides guidance for the role that our business plays in supporting suppliers as they address factory level grievances. The remediation process outlined within provides a complete step-by-step guide for the Ethical Sourcing Team, starting from when a grievance is first received, through to the completion of all subsequent stages. Stages include: The detailed internal investigation through the “Cross Functional Team” Handover to the supplier/factory management teams to provide “corrective action plans” and Monitoring of the grievance to ensure effective remediation.

The development of this policy represents an important new module within the Ethical Sourcing Program. It promotes effective mechanisms for factory level grievances to be raised, investigated and remediated, including grievances that represent or are indicators of modern slavery.

*The development of this policy represents an important new module within the Ethical Sourcing Program.*





# Training, capacity building and collaboration

David Jones continues to engage with our team members and suppliers through a number of avenues to promote the awareness of modern slavery risks.

We recognise that internal training is especially critical for the teams that are directly involved in making decisions that inform our modern slavery risk management. We also remain committed to promoting broader modern-slavery awareness across our supply chains and operations.

We understand that leverage and collaboration are two of the key actions to drive progressive change. We therefore engage with NGO's and participated in multi-stakeholder initiatives to not only support their efforts in raising awareness of modern slavery issues, but to also share our experiences and learnings wherever possible and to benefit from the learnings of others.

Actions in the reporting period included:

- Grievance Mechanism webinar for all suppliers hosted by David Jones,
- Modern Slavery training materials developed for the David Jones Executive Team (Note: Training has been delivered in July 2022). Training modules for the next tier of management and e-learning modules for team members generally is currently being developed,
- Continuing our membership of the UN Global Compact Network Australia (UNGCNA), as well as participation as a sub-group member of the Modern Slavery Community of Practice (MSCoP),
- For the Modern Slavery Cross Functional Team, broadening the scope of participation and engagement to include additional representatives,
- 3 Modern Slavery awareness training sessions for team members during our annual 'Governance Week',
- Team members attending seminars and webinars on modern slavery and broader human rights issues,
- Continued consultation with peers, NGO's, multi stakeholder initiatives (MSI's) and industry experts to understand further actions to assess and address modern slavery risks,
- Pillar Two, a business and human rights advisory firm, supported aspects of our modern slavery reporting,
- Participation in the IJM/KPMG Modern Slavery workgroup subsequent to the release of the [Spot Fires in Supply Chains](#) report,
- Foundation member of the National Retail Association's Modern Slavery workgroup,
- Application for ETI membership commenced during FY22 (Note: foundation membership was granted in early FY23).

More details are provided in the "Progress through collaboration" case study (above).

Some of the planned training activities were postponed due to COVID-19, however we will continue to develop appropriate awareness for those involved in our operations and supply chains on a continuous basis.

Our diverse range of stakeholders include NGO's, MSI's and other organisations that play a role in partnering with us to improve our knowledge and actions in assessing and addressing modern slavery risks.



## CASE STUDY 10

## Progress through collaboration

Throughout the year, we continued to partner with like-minded companies to engage in discovery, strategic and in-practice improvement discussions on modern slavery. Such as through our continued UNGCNA membership, participation in the UNGC Community of Practice (CoP) sessions and being a foundation member of the National Retailer Association's modern slavery workgroup. All of these forums focus on sharing information to assist the building robust processes and procedures to identify and address modern slavery risks.

Progress and further development were also achieved through frequent engagement with other human rights specialist and interest groups such as with:

**ELEVATE**

To help with in-field, at-source practical tools for exposing human rights and modern slavery risks (such as through worker engagement surveys and developing robust grievance mechanisms).

**Pillar Two**

A specialist business and human rights advisory firm who provided modern slavery training to the David Jones Executive Teams, with a commitment to develop face to face training for the next tier of management and e-learning awareness training for all DJs team members generally for roll out in FY23.

**IJM (International Justice Mission)<sup>26</sup>**

Being a global organisation that "... partners with local authorities ... in 14 countries to combat trafficking and slavery ..." in conjunction with KPMG who arranged an "Expert Roundtable on Modern Slavery" in which David Jones participated.

**International Accord (Previously Bangladesh Accord)**

The Accord was relaunched during FY22. David Jones retained their membership to the Accord, stayed informed and aware of remediations being conducted within relevant factories, and remained connected through attending Accord Cluster and Brand Caucus meetings. The renewed membership was celebrated within the business through a workplace posting to all team members.

**Cotton Campaign's Uzbek Cotton Pledge**

Involving signatories globally declaring an embargo on the use of Uzbek cotton in their products until state-imposed forced labour could be eliminated. In March 2022, Cotton Campaign announced that independent audits of the 2021 cotton harvest concluded that "Uzbekistan has successfully eliminated state-based forced labour..."<sup>27</sup> and lifted their call for an embargo on Uzbek cotton. This demonstrates the power of unity and a combined voice. Some caution though as the elimination of state-based forced labour does not mean modern slavery and human rights risks have been completely eliminated in Uzbekistan, so a watch & learn approach is still required.

**Ethical Trade Initiative (ETI)**

David Jones<sup>28</sup> recently became foundation members of the Ethical Trading Initiative: An alliance of companies, trade unions, and NGOs that work together to collectively promote respect for workers' rights. The ETI tackles challenges related to ethical trade, such as living wages, modern slavery, workers' access to grievance mechanisms, and effective grievance remediation. We plan to work with the ETI to advance our progress towards the Ethical and Fair pillar goals that form part of our Good Business Journey commitments.

Through these associations and collaborations with internationally recognized human rights leaders and pioneers, we gain confidence that our approach to identifying and addressing modern slavery indicators is on the right track.



Since 2020, David Jones has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, environment and anti-corruption.



<sup>26</sup> <https://www.ijm.org/about-ijm>

<sup>27</sup> <https://www.cottoncampaign.org/uzbek-cotton-pledge>

<sup>28</sup> Under the membership of the parent company Woolworths Holding Limited



# Measuring our effectiveness

We strive for continuous improvement in our approach to assessing and addressing our modern slavery risks, which is informed by our work to assess the effectiveness of our actions across our entire corporate structure.

We continually monitor our key programs and activities using a combination of both quantitative and qualitative measures. We understand these indicators need to be reviewed and adapted as our actions mature and as our understanding of modern slavery continues to develop and evolve.

Below are the measures we utilise to assess our effectiveness across all of our reporting entities and operating subsidiaries.

Area	Objectives	Effectiveness indicators
<b>Policies &amp; Contractual Controls</b>	<ul style="list-style-type: none"> <li>• Ensure policies set clear expectations around preventing and addressing all forms of modern slavery across our operations and supply chains</li> <li>• Ensure policies are meaningfully implemented</li> <li>• Policies to provide modern slavery prevention and protection for workers.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Policies reviewed on regular basis (internal and external)</li> <li>✓ Percentage of suppliers and team members covered by agreements/contracts and our codes</li> <li>✓ Percentage of factories audited against compliance with relevant policies</li> <li>✓ Team members have ready access to policies related to modern slavery</li> <li>✓ Suppliers have ready access to policies related to modern slavery</li> </ul>
<b>Risk assessments</b>	<ul style="list-style-type: none"> <li>• Understanding and monitoring our exposure to modern slavery risks</li> </ul>	<ul style="list-style-type: none"> <li>✓ Number of supply chain actors traced</li> <li>✓ Number of risk assessments conducted</li> <li>✓ Number of supplier sites in high and extreme risk ratings</li> </ul>
<b>Awareness raising and capacity building</b>	<ul style="list-style-type: none"> <li>• Modern slavery awareness training for internal team members and suppliers to ensure appropriate team members have knowledge of risks, prevention and remediation</li> <li>• Improve external awareness and transparency relating to modern slavery risks</li> </ul>	<ul style="list-style-type: none"> <li>✓ Number of team members trained on modern slavery and broader human rights risks</li> <li>✓ Number of suppliers trained on modern slavery and broader human rights risks</li> <li>✓ External public assessments of our public reporting through NGO's or multi stakeholder initiatives (MSI's)</li> </ul>
<b>Audits and Issue Monitoring</b>	<ul style="list-style-type: none"> <li>• Supply chain monitoring and assurance (AFP)</li> <li>• Ensure quality and effectiveness of audit types</li> <li>• Audit corrective actions undertaken, improved, or closed</li> </ul>	<ul style="list-style-type: none"> <li>✓ Percentage of factories approved in our auditing program</li> <li>✓ Number of critical issues identified</li> <li>✓ Number of modern slavery issues identified</li> <li>✓ Number of Non-Trade Procurement (NTP) suppliers who publish modern slavery statements</li> </ul>
<b>Remediation processes</b>	<ul style="list-style-type: none"> <li>• Access to effective grievance mechanisms for workers in our operations and in our supply chains</li> <li>• Grievances effectively remediated</li> <li>• Required actions taken against actual modern slavery violations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Number of audit issues remediated in line with (Approved Factory Program (AFP) criteria</li> <li>✓ Remediation of any actual modern slavery instances</li> </ul>



# Process of consultation

David Jones has consulted up and down its corporate structure ensuring that the directors of all owned and controlled entities were consulted and have reviewed and approved this statement.

Osiris Holdings Pty Ltd and its principal governing body are the highest Australian entity of David Jones and owns and controls all subsidiary entities.

Senior management, executives and the directors of the reporting entities covered by this statement (namely Osiris Holdings Pty Ltd, Vela Investments Pty Ltd and David Jones Pty Ltd), in addition to owned and controlled entities, have been consulted and informed of the actions taken throughout this reporting period, and development of this statement has occurred through face-to-face meetings with directors, via email correspondence, through consultation on actions throughout the year, and being tabled at relevant board meetings.



## CASE STUDY 11

### Benchmarking our Statements

Prior to this particular statement, David Jones has only submitted two prior modern slavery statements under the Modern Slavery Act 2018 (the Act). David Jones prepared these statements with due diligence and care, in compliance with the Act and in accordance with the Australian Government's "Guidance for Reporting Entities". But were our statements simply compliant or did they reach beyond compliance?

The [Paper Promises](#) report, evaluated the early impact of the Act through assessing first year modern slavery statements. Analysis for the report assessed whether companies identified the most salient modern slavery risks within their business and supply chains, and whether meaningful and effective action to address such risks was stated within. David Jones' FY20 report was rated in the top-2 Statements for companies reporting on the garment and textile sector and ranked fifth overall.

During the preparation of our statements to date, we have consulted with business and human rights specialists (Pillar Two) to pre-review our draft statements. This is to ensure the structure, content, actions and commitments outlined in statements meet all of the necessary requirements of the Act and that they also demonstrate that progress is being made.

Through independent evaluations of our previous statements and the use of expert consultants, we recognise that our reports are not just compliant, but that they also capture our improvement actions and overall commitment to doing better.



# Looking forward

As we look to improve our actions in tackling modern slavery we have set out the below broad goals:

- Develop modern slavery and broader human rights training, workshops and guidance to our suppliers and brand partners,
- Assess and develop training of internal staff, including senior leadership teams, through modern slavery and responsible purchasing practices,
- Review and progress traceability of private label factory sites deeper into the supply chain (i.e. beyond Tier 1 factories),
- Review and assess our supplier onboarding through improved evaluation and risk assessment methods,
- Ongoing review and improvement of policies where required,
- Continue to assess our supplier due diligence to ensure it is appropriate with changes to our apparel and food private-label business,
- Assess and further progress methods and systems for measuring the effectiveness of programs,
- Continue to engage with Non-Trade Procurement (NTP) suppliers to identify gaps in our contractual arrangements or in agreed compliance and governance standards.

## Statement Criteria Index

<b>Australian Modern Slavery Act 2018 (Cth) mandatory reporting criteria</b>	<b>Location of response to mandatory criteria within this statement</b>
(16.1.a) Identify each reporting entity covered by the joint statement	<ul style="list-style-type: none"> <li>• Introduction and Executive Summary</li> <li>• Appendix 1</li> </ul>
(16.1.b) Describe the structure, operations and supply chains of each reporting entity covered by the joint statement	<ul style="list-style-type: none"> <li>• Structure, operations and supply chains</li> </ul>
(16.1.c) Describe the risks of modern slavery practices in the operations and supply chains of each reporting entity covered by the joint statement and any entities that each of those reporting entities owns or controls	<ul style="list-style-type: none"> <li>• Modern Slavery Risks in our supply chains and operations</li> </ul>
(16.1.d) Describe the actions taken by each reporting entity covered by the joint statement and any entities that each of those reporting entities owns or controls to assess and address these risks, including due diligence and remediation processes	<ul style="list-style-type: none"> <li>• Introduction &amp; Executive Summary</li> <li>• Assessing and Addressing the risks of modern slavery</li> <li>• Training, capacity building and collaboration</li> </ul>
(16.1.e) Describe how each reporting entity covered by the joint statement assesses the effectiveness of actions being taken to assess and address modern slavery risks	<ul style="list-style-type: none"> <li>• Measuring Effectiveness</li> </ul>
(16.1.f) Describe the process of consultation with each reporting entity covered by the joint statement and with any entities that each of those reporting entities owns or controls	<ul style="list-style-type: none"> <li>• Introduction and Executive Summary</li> <li>• Process of consultation</li> <li>• Appendix 1</li> </ul>
(16.1.g) Any other relevant information	<ul style="list-style-type: none"> <li>• Looking Forward</li> <li>• Appendices</li> </ul>



# Appendices

## APPENDIX 1.

All entities who are reporting entities and included in this joint statement:

Osiris Holdings Pty Ltd	(Holding Company)
Vela Investments Pty Ltd	(Holding Company)
David Jones Pty Ltd	

## APPENDIX 2.

Definitions of types of Modern Slavery<sup>29</sup>

Type of Exploitation	Definition
Trafficking in Persons	Describes the recruitment, harbouring and movement of a person for exploitation through modern slavery.
Slavery	Describes situations where the offender exercises powers of ownership over the victim, including the power to make a person an object of purchase and use their labour in an unrestricted way.
Servitude	Describes situations where the victim's personal freedom is significantly restricted and they are not free to stop working or leave their place of work.
Forced Marriage	Describes situations where coercion, threats or deception are used to make a victim marry or where the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony.
Forced Labour	Describes situations where the victim is either not free to stop working or not free to leave their place of work.
Debt Bondage	Describes situations where the victim's services are pledged as security for a debt and the debt is manifestly excessive or the victim's services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined.
Deceptive Recruiting for Labour of Services	Describes situations where the victim is deceived about whether they will be exploited through a type of modern slavery.
The worst forms of child labour	Describes situations where children are: <ul style="list-style-type: none"> <li>• Exploited through slavery or similar practices, including for sexual exploitation, or</li> <li>• Engaged in hazardous work which may harm their health, safety or morals, or</li> <li>• Used to produce or traffic drugs</li> </ul>

<sup>29</sup> Definitions and descriptions based on the official Commonwealth guidance document, [Australian Government Guidance for Reporting Entities](#)

## APPENDIX 3.

List of proprietary brands David Jones owns and considers "Private Label".

Brand name	Product category
Alta Linea	• Menswear
Agenda	• Women's Accessories
David Jones	• Home & Women's Accessories
David Jones Classic Collection	• Bedding, towels etc
David Jones Collection	• Women's Intimates & Apparel • Men's Apparel • Children's Apparel
Milana	• Women's Footwear & Accessories • Menswear
The Foundry	• Homeware
Saffron & Clover	• Children's Apparel & Accessories



# DAVID JONES

