



Introduction

Temple & Webster is committed to making the world more beautiful.

As a trusted Australian retailer of furniture and homewares, we have continued to build and strengthen mutually beneficial partnerships with our suppliers, with the aim of improving human rights and working conditions across all tiers of our supply chain and operations.

We have made significant progress over the last four years towards understanding modern slavery risks within our supply chains, building internal and external capabilities for identifying and managing risk, and developing frameworks that support us in systematically addressing modern slavery risks.

Actions that highlight our progress include:

- auditing direct import suppliers against ethical frameworks and administering corrective plans
- collaborating with our local dropship suppliers to understand their capability and willingness to address modern slavery
- providing continuous training to upskill and support our employees
- embedding controls into supply-related processes to manage ongoing modern slavery risks
- developing policies and procedures to address human rights abuses and integrating these into our operational contracts

The term 'modern slavery' is used to describe the restriction and violation of a person's right to freedom, for personal or commercial gain. It includes exploitative practices such as human trafficking, slavery, servitude, forced labour, child labour, debt bondage, deceptive recruiting and forced marriage.

We continue to build on knowledge gained over the past four years to ensure our efforts in combating modern slavery are effective, measurable, sustainable and authentic. This includes using established risk profiles for our direct suppliers, against which we can continually measure the effectiveness of our actions. We also use these profiles to ensure we dedicate appropriate resources to supporting our suppliers, where they are needed most.

This Modern Slavery Statement outlines the actions taken to assess, address and mitigate modern slavery risks in our business operations and supply chains over the financial year ending 30 June 2023. It was created in accordance with the Modern Slavery Act 2018 (Cth).

This is our fourth Modern Slavery Statement. It has been reviewed and approved by our Board of Directors.

Our structure, operations and supply chains

Temple & Webster is the leading pure play online retailer of furniture and homewares in Australia.

Through our online stores at www.templeandwebster.com.au and www.thebuild.com.au, we sell a diverse range of products for the home and office to residential and commercial (trade) customers in Australia.

Our registered office and principal place of business is in Eora Nation, Sydney, Australia. We only deliver within Australia and do not currently operate physical showrooms or stores. Our team consists of more than 500 people across our onshore and offshore operations.

Temple & Webster Group Ltd listed on the Australian Securities Exchange under the code TPW on 10 December 2015. This Modern Slavery Statement covers Temple & Webster Group Ltd, the holding company and all subsidiaries (Temple & Webster).

Temple & Webster offers a curated selection of more than 220,000 products (as at 30 June 2023) from hundreds of suppliers. We use an innovative dropshipping model, whereby products are sent directly to our customers from supplier warehouses. This enables fast delivery and allows us to offer a wide variety of items without needing to hold inventory.



Our structure, operations and supply chains

Our dropship range is complemented by private label ranges, which we source and import directly from overseas suppliers and manufacturers. We source retail goods directly from 11 countries. This includes Australia, China, Egypt, India, Indonesia, Malaysia, Philippines, Taiwan, Thailand, Turkey and Vietnam.

We work with more than 750 local and offshore suppliers to source products such as artworks, furniture, cookware, décor accessories, appliances, lighting, rugs, textiles, toys and home improvement items.

We procure a range of products and services from more than 300 suppliers to support and facilitate our business operations. These include cleaning, security, catering, electronics, energy and other utilities, IT support, logistics and transport, marketing, third-party labour hire, warehousing (third-party logistics), and professional services. We have also invested in an Israeli artificial intelligence and augmented reality startup.

We have a longstanding charity partnership with Women's Community Shelters and a newly developed partnership with the Black Dog Institute. We support both organisations by providing furniture and homewares, volunteering time towards projects, and through fund-raised cash donations.

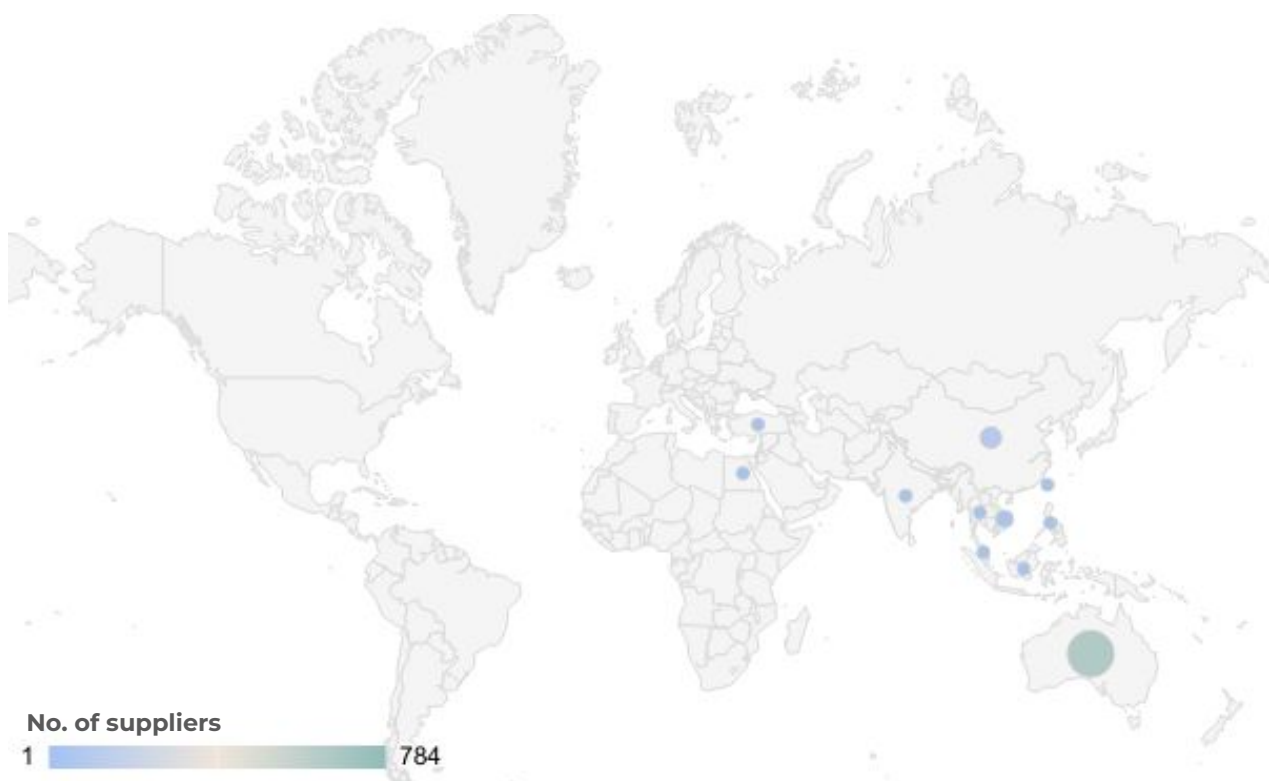


Figure 1: Countries we source product from

Governance structure

As a responsible company, we believe in doing the right thing. Having robust governance structures in place that underpin and evaluate our actions is key to ensuring we operate in the most ethical and sustainable manner possible.

With respect to managing modern slavery risks, we understand that transparency and clear reporting of our progress across all levels of our governance structure is essential in fostering a high standard of integrity and accountability.

Our Board of Directors is responsible for the overall governance of Temple & Webster, as outlined in our Corporate Governance Statement. It has full oversight of areas relating to modern slavery and environmental, social and governance (ESG) initiatives. All supporting corporate governance policies and statements can be found on our [investor relations website](#).

Our Audit and Risk Management Committee meets as frequently as required to perform its role effectively, with a minimum of four meetings each year. Modern slavery risk assessment findings and progress are reported to the committee at these meetings. Where necessary, the committee requests an action plan be formulated to ensure that potential risks are investigated and addressed within a specified timeframe. The committee also assists the Board in assessing the effectiveness of our risk management strategy.



Figure 2: Temple & Webster organisational governance structure

Governance structure

We continue to focus our efforts on areas where we identify the highest potential modern slavery risks and where we have the most leverage with direct import suppliers. In FY23, we built on our previous work auditing our direct import suppliers against an ethical audit framework to ensure that all relevant suppliers have received corrective action plans. This will allow us to establish a score for each supplier to measure the effectiveness of corrective actions on an ongoing basis.

For the purposes of this statement, we consider that we have 'leverage' in relationships where we spend a relatively large amount with a supplier, and the supplier is willing to collaborate with us to address modern slavery.

During this reporting period, our Audit and Risk Management Committee reviewed all potential risks and findings from supplier audits. This helped the committee identify relevant risks, delivered greater understanding of the root causes of risks and enabled us to establish a coordinated approach to mitigating these risks.



Classification of potential risks in our supply chains

Sector	Category	Risk identification/ indicators	Priority rating	FY23 actions
Trade suppliers	Imports – Temple & Webster private-label brands	<p>We acknowledge risks of modern slavery are inherent in the furniture manufacturing industry. Based on the geographical locations from which we source products and the findings of factory audits, we have identified potential risks for forced labour, child labour, deceptive recruitment, bonded labour and workplace health and safety.</p> <p>Given that we have direct relationships with manufacturers, we continue to use our position of influence and prioritise due diligence and risk mitigation in this category through the implementation of corrective action plans.</p>	<p><i>High</i></p> <p>Continue to prioritise corrective action plans (where necessary) to address key risk areas and display continuous improvement.</p>	<p>– Building on the findings of the factory ethical audits, we supplied all our private label suppliers with corrective action plans (where necessary) for continuous improvement.</p> <p>– We delivered bespoke modern slavery training to our Australian-based employees who work in procurement.</p>
	Dropship – Brands sourced from local suppliers	<p>We acknowledge risks of modern slavery are inherent in the furniture manufacturing industry. Based on a review of the geographic origin of manufactured products procured through this category, we have identified potential risks for forced labour, child labour, deceptive recruitment and bonded labour.</p> <p>In FY23, we built on the findings from our FY22 supplier survey to better understand the visibility these suppliers have over their supply chains, gauge the scope of existing policies and procedures to manage modern slavery risks, and assess whether their employees are trained on how to manage modern slavery risks.</p>	<p><i>High</i></p> <p>Continue due diligence, share learnings, identify opportunities and exhibit a willingness to collaborate, and develop actions to address modern slavery in supply chains.</p> <p>In FY24, our priority focus will be to make modern slavery training available to all dropship suppliers.</p>	<p>– Building on the findings from our FY22 supplier survey, we assessed the capability of our suppliers to manage modern slavery risks within their supply chains.</p> <p>– The Temple & Webster Modern Slavery Charter was shared with all our dropship suppliers, outlining our shared commitment to address modern slavery and gauge interest in deeper collaboration in this space.</p>

Classification of potential risks in our supply chains

Sector	Category	Risk identification/ indicators	Priority rating	FY23 actions
Operational suppliers	Logistics and transport	We acknowledge risks of modern slavery are inherent in the transport industry in Australia. These risks can include recruitment of migrant labour and underpayment of wages.	<i>High</i> Undertake due diligence with transport partners and implement controls to manage modern slavery risks.	<ul style="list-style-type: none"> – Continued to review agreements with all new logistics and transport suppliers. – Ensured the inclusion of a modern slavery clause in agreements where it did not exist previously.
	Electronics	We acknowledge risks of modern slavery are inherent in the offshore extraction of raw materials and manufacturing of electronics and IT equipment. These risks can include forced labour, child labour and deceptive recruitment practices in certain countries.	<i>Low</i> Undertake due diligence and research to understand available mitigation measures and feasibility of implementing them.	<ul style="list-style-type: none"> – No actions were taken in FY23 due to the low priority rating and minimal leverage.
	Cleaning and security services	We acknowledge risks of modern slavery are inherent in the sourcing and recruitment of cleaning and security services, predominantly due to forced labour and deceptive recruitment. These risks can include recruitment of migrant labour and underpayment of wages.	<i>High</i> Undertake due diligence with cleaning and security service provider(s) and implement controls to manage modern slavery risks.	<ul style="list-style-type: none"> – Assessed and confirmed the effectiveness of internal mitigative controls. – Commenced preliminary discussions to gauge the viability of establishing grievance mechanisms in our corporate head office.

Classification of potential risks in our supply chains

Sector	Category	Risk identification/ indicators	Priority rating	FY23 actions
Operational suppliers	Third-party labour hire	We acknowledge risks of modern slavery are inherent in the recruitment of third-party labour. These risks can include unreasonable disciplinary procedures and lack of entitlements.	<i>Low</i> The FY21 due diligence process showed that our long-term third-party labour provider had appropriate documentation and policies in place in relation to modern slavery.	– No action was taken in FY23 due to the low priority rating, findings from previous due diligence assessments, and the direct line of communication we have with all workers.
	Catering and hospitality	We acknowledge risks of modern slavery are inherent in the procurement of catering services. These risks can include forced labour, bonded labour and deceptive recruitment practices.	<i>High</i> Undertake due diligence with catering service providers and implement controls to manage modern slavery risks.	– Commenced preliminary discussions to gauge the viability of establishing grievance mechanisms in our corporate head office.

Actions to assess & address modern slavery risks

We undertook various actions throughout the reporting period to assess and address modern slavery risks.

Supplier corrective action plans

In FY23, we built on what we learnt from working with an external consultant on the review of our supplier ethical audit reports. Specifically, we were able to educate our Quality, Compliance and Sustainability team on how to identify modern slavery risks based on certain risk indicators (for example, how excessive working hours can amount to modern slavery if left unchecked) and the appropriate corrective actions required to address these. Our commitment to building internal capability helps ensure we can support our suppliers and effectively manage modern slavery risks within our direct import supply chains.

We ensured that 100% of factory ethical audit reports for direct import suppliers were reviewed and, where necessary, suppliers were provided with corrective action plans for improvement. This is a crucial step in our efforts to combat modern slavery, as it provides our suppliers with clear, qualitative direction on what is required to address identified risks. It also establishes a baseline profile for each supplier for future scoring, tracking and measurement.

We also reviewed 111 audit reports from our direct import supplier factories. This review identified no instances of modern slavery. However, it did identify 71 modern slavery risks – more than 80% of which related to excessive working hours. The factories involved were provided with corrective action plans that will assist them in addressing these issues. The effectiveness of these corrective action plans will be measured over time through ongoing auditing.

Figure 3: Number of audit reports reviewed

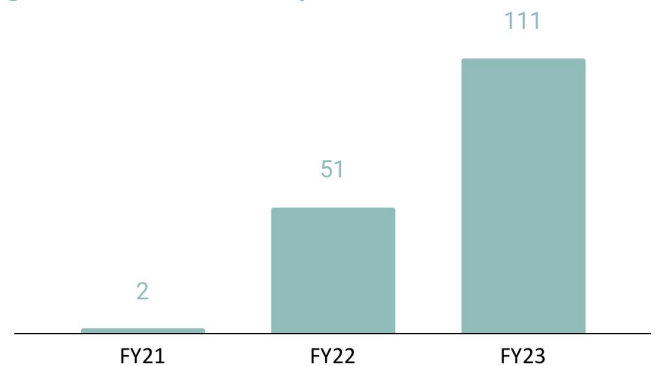
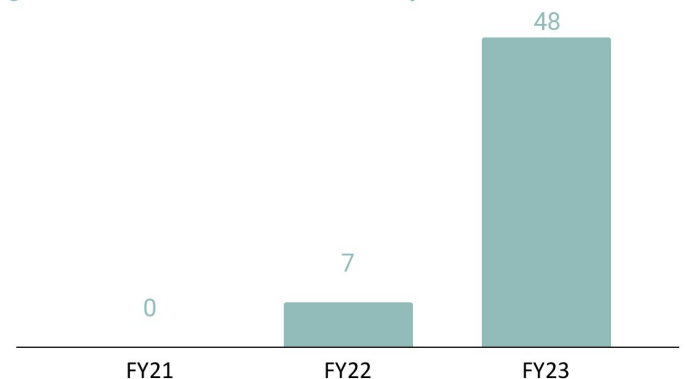


Figure 4: Number of corrective action plans delivered



Actions to assess & address modern slavery risks

Capability building, education and training

We continue to make progress in the implementation of modern slavery training for our employees. In FY23, 100% of our Australian-based employees completed modern slavery awareness training. This training has been integrated into our onboarding process for all new hires and is accessible through our Learning Management System (LMS) so that employees can access it whenever they need to.

As this is our fourth modern slavery statement, the scope of training for our employees has progressed. It is now focused on providing knowledge, experience and tools to identify and manage modern slavery risks. In FY23, we delivered specialised training for our Australian-based procurement team.

The purpose of this training was to:

- provide the team with an understanding of key risk factors and indicators and how they relate to their specific functions
- educate them on our risk management framework and how it promotes a culture of continuous improvement
- prescribe what actions to take if a potential risk is identified
- provide the team with resources and tools for further learning and development.

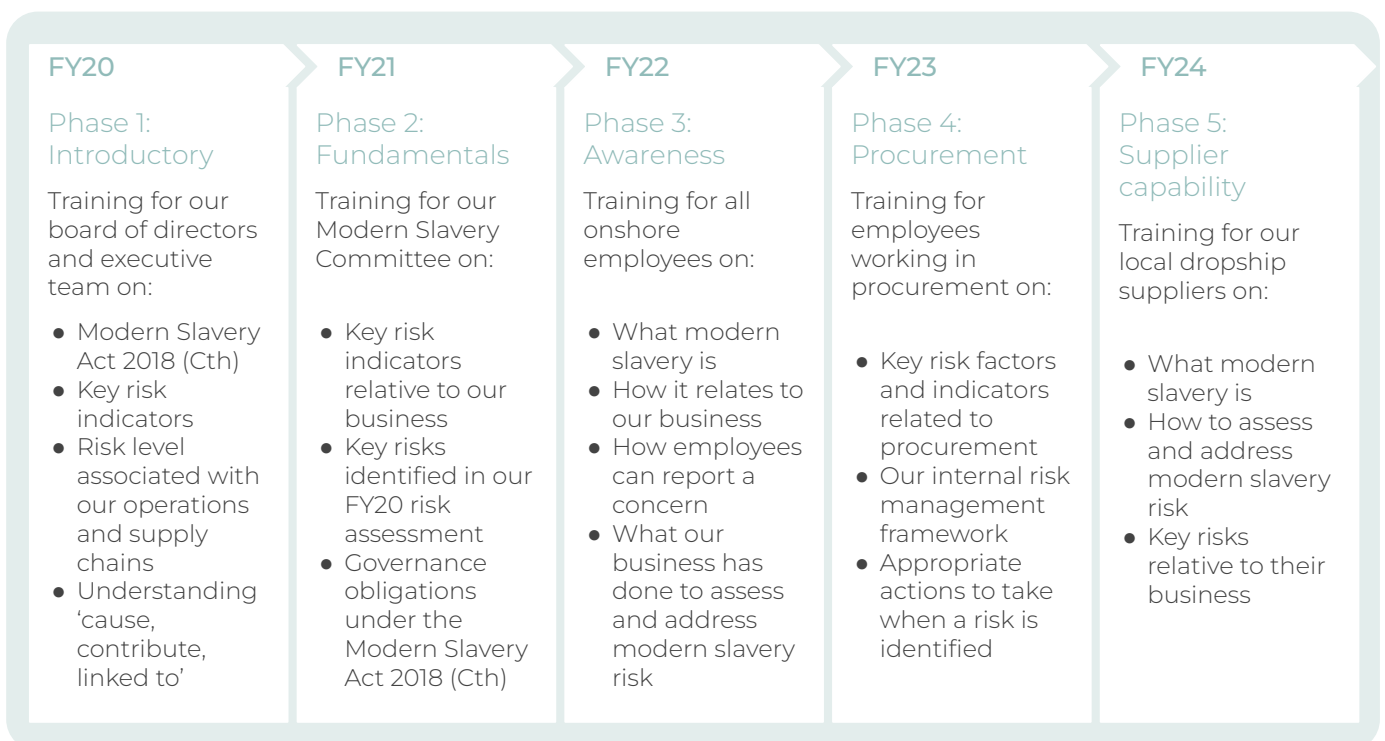


Figure 5: Phased delivery of modern slavery training and education

Actions to assess & address modern slavery risks

Engage and facilitate knowledge sharing with dropship suppliers

Drawing on the results of our supplier survey in FY22, we were able to identify suppliers who were already at an advanced stage of managing modern slavery risks and viewed this as an opportunity for deeper collaboration. Conversely, the survey results also helped us to identify suppliers who are at the beginning of this journey and would benefit from being included in future knowledge sharing sessions and training to help build their internal capability.

The purpose of the supplier survey was to assess where our dropship suppliers needed the most support and to gauge their willingness to collaborate more in future.

More than 40% of respondents who have not yet provided their staff with modern slavery training confirmed that they plan to do this in future. In FY24, we aim to develop and deliver a modern slavery training module for all dropship suppliers to ensure they have the necessary knowledge, tools and resources to effectively manage modern slavery risks within their supply chains.

Supplier Code of Conduct

To ensure effective and coordinated governance, we develop and implement policies that focus on standardisation. Having a uniform approach to working with suppliers also allows us to effectively manage operational risk across our vast supply chains.

In FY23, we drafted our first Supplier Code of Conduct to assist in the governance of our commercial engagements. The code institutes a framework of ethical principles that all suppliers are expected to adhere to when doing business with us.

The code will also help to ensure that our suppliers prioritise the fair treatment of workers and ethical business practices.

We aim to finalise our Supplier Code of Conduct in FY24 in collaboration with our Board of Directors.

Actions to assess & address modern slavery risks

Modern Slavery Charter

Our governance structure and policies continue to underpin our response to modern slavery by establishing clear goals, actions and expectations for all suppliers and internal stakeholders.

In FY22, we published our Anti-Slavery Policy on our [investor relations website](#), setting out our stance on modern slavery and highlighting our ongoing commitment to address it wherever it may exist within our operations and supply chains.

In FY23, we developed a Modern Slavery Charter to clearly communicate our expectations and commitment to combating modern slavery. This was shared with all our local dropship suppliers to drive further compliance and collaboration in managing modern slavery risks across our shared operations and supply chains.

The Charter outlines our shared commitment to adhering to the following five key principles.

1. Human rights: we expect that all workers are treated with dignity, fairness and respect. We have zero tolerance for any form of exploitation.
2. Transparency: we believe in transparency and open communication. Developing and sharing information related to supply chains allow us to work collaboratively in managing modern slavery risks.
3. Due diligence: we understand the complexity of assessing and addressing modern slavery risks. We encourage all suppliers to conduct regular assessments of their supply chains, and are committed to providing support and guidance where needed.
4. Collaboration: we encourage our partners to work with us in sharing knowledge, best practices and resources to ensure an ethical and responsible supply chain.
5. Continuous improvement: we are committed to continually improving our practices and procedures to mitigate emerging risks and comply with applicable legislation and ethical standards.

These principles form the foundation for our response to modern slavery associated with our local dropship supply chains. They establish clear expectations for compliance, outline individual responsibilities for managing risk and help facilitate closer collaboration.

Remediation

We understand that we have a responsibility to provide remediation where it has been identified that we have 'caused or contributed to' modern slavery.

In FY23, we did not have cause to implement any remediation actions.

We acknowledge the importance and sensitive nature of remediating instances of modern slavery. We are committed to maintaining processes that focus on the needs and wellbeing of victims, and prioritise removing them from situations of modern slavery in a safe manner.

We are committed to partnering with a range of third parties who specialise in human rights and supply chain compliance to ensure we are continuously reviewing and improving our remediation procedures.

We plan to engage an external organisation to assist us in refining our current internal remediation procedure to ensure that any investigations or remediation actions are carried out in a diligent and considered manner. We will also work with them to provide training for all relevant stakeholders.

Our primary approach to remediation continues to be through enforcing our supplier audit program. A key part of this program is developing corrective action plans for suppliers. These assist suppliers to consistently improve the standards and conditions in their operations, with the long-term goal of bringing all our suppliers in line with best practices.

During the reporting period, this program was focused on our direct import tier-one suppliers. We believe that for remediation to be effective and lasting, we need to educate, support and empower our direct suppliers to advocate for positive change across all tiers of the supply chain.



Assessing effectiveness

Building on our efforts in FY22, we prioritised assessing factory audit reports and developing corrective action plans, where necessary, for all our direct import suppliers.

Our risk audit framework will continue to form the foundation for how we assess the effectiveness of our efforts to address modern slavery risks with direct import suppliers. It allows us to establish a baseline from which to measure our suppliers' management of working conditions and labour practices. It also prioritises action with key suppliers based on associated risks and supports ongoing due diligence through regular audits. These elements allow us to pragmatically assess the effectiveness of our actions, as future audits will allow us to gauge whether pre-identified non-conformances have been effectively addressed.

During the reporting period, we completed a review of audit reports for all of our direct import suppliers. The findings from our review have been captured in our ethical audit checklist and corrective action register. These tools help us to establish key risk metrics such as the modern slavery risk indicator, risk category, corrective actions and an overall risk rating for factories. The corrective action register and supporting action plans will enable us to assess whether our suppliers are showing improvement over time, which directly relates to how we will measure the effectiveness of any prescribed corrective actions.

We also reviewed the responses to our dropship supplier survey to gain a better understanding of how they are currently managing modern slavery risks within their operations and supply chains.

Establishing this baseline will help us to assess the effectiveness of our work with dropship suppliers through the implementation of future surveys, which will allow us to track and measure improvement in key areas over time. For example, the survey found that 80% of respondents did not meet the criteria to report on modern slavery risks. This confirmed that our focus for FY24 should be on providing education, training and guidance to assist in building suppliers' ability to effectively manage modern slavery risks within their businesses. We will seek feedback from our suppliers on the usefulness of this training and will make changes to ensure that our education and training programs are continuously improving.



Consultation

Our Chief Executive Officer, Mark Coulter, led the preparation of this Modern Slavery Statement. This included consulting with the executive team, the Head of Quality, Compliance and Sustainability, and the Modern Slavery Committee regarding modern slavery risks, mitigation strategies,

training, how to evaluate effectiveness, resourcing, remediation and due diligence. The Audit and Risk Committee also reviewed our actions, progress and adherence with the requirements of the Modern Slavery Act 2018 (Cth).

Future priorities and commitments

During the reporting period, we worked with Anti-Slavery Australia to discuss remediation and collaborate on the development of training material. We will continue to engage with industry leaders and experts in the human rights space to ensure that we have access to the resources we need to continuously improve over time and that allow for the independent assessment of our modern slavery risk management framework.

We will continue to prioritise our efforts in the areas where we have the most impact and influence, and that are most relevant to our industry. We believe this approach will help to scale our efforts over time as we apply what we've learnt from working with our major suppliers across our broader supply chains.

Our Modern Slavery Committee, supported by our Quality, Compliance and Sustainability team, will develop a scoring system for suppliers, which will be key for ongoing measurement of performance and the effectiveness of our actions.

Our priorities for FY24 are as follows.

1. Collaborate with private label suppliers to follow up on status of corrective action plans and capture outcomes.
2. Use outcomes from corrective action plans to establish short and long-term goals to address modern slavery risks in private label supply chains.
3. Engage and collaborate with key dropship suppliers to develop a modern slavery risk report and action plan to address modern slavery risks within their supply chains.
4. Develop and distribute modern slavery training module for all dropship suppliers.
5. Finalise the Supplier Code of Conduct in collaboration with the Board of Directors.

Approval of modern slavery statement

This statement relates to our financial year 2023 and was approved by CEO Mark Coulter and our Board of Directors.

A handwritten signature in black ink, appearing to read 'Mark Coulter', with a long horizontal stroke extending from the end of the name.

Mark Coulter



Modern Slavery Statement FY23