

MODERN SLAVERY
STATEMENT FY25

adairs

adairs **fcuson** Mocka.
furniture & bedding



adairs

adairs **fusion** Mocka.
Furniture & Bedding

ACKNOWLEDGMENT OF COUNTRY

Adairs acknowledges the Traditional Owners and Custodians of the lands on which we live, work, and operate across Australia. We pay our respects to Elders past and present, and we recognise the ongoing connection of First Nations peoples to land, waters, culture, and community.

We are committed to working collaboratively and respectfully with Aboriginal and Torres Strait Islander communities. As part of our broader sustainability and human rights commitments, we will continue to explore ways to increase inclusion and opportunities for First Nations peoples within our business and supply chain.

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INTRODUCTION

Adairs Limited (Adairs) is dedicated to shaping a responsible and sustainable future by embedding ethical sourcing practices throughout our operations, upholding human rights, and eliminating modern slavery across our supply chain. Through collaboration with our teams, suppliers, and partners, we continuously strengthen our approach to identifying and mitigating human and labour rights risks across our value chain.

This statement marks our sixth Modern Slavery Statement under Australia's Modern Slavery Act 2018 (Cth) (MSA), outlining the actions we have taken to understand and address modern slavery risks during the 2025 financial year (1 July 2024 – 30 June 2025).



We define modern slavery as situations where individuals are exploited through coercion, deception, or abuse of power for economic gain. This includes forced labour, human trafficking, debt bondage, forced marriage, and the exploitation of children.

FY25 has been a year focused on strengthening engagement and partnerships, and embedding robust risk-assessment processes across our operations and all our brands — Adairs, Mocka, and Focus on Furniture.

During FY25, we continued comprehensive risk assessments across our business, led by our Group Head of Risk and Compliance and guided by our Group Ethical Sourcing Manager. Looking ahead, we are committed to advancing our supply chain transparency, with the goal of fully mapping Tiers 1–4 by the end of FY26, ensuring that all workers within our supply chain are treated fairly and ethically.

Key milestones include:

- Introducing a Homeworker Policy to ensure that those involved in hand-crafted products, regardless of their location, receive the same rights and treatment as all other workers.
- Ensuring full traceability of our raw materials and cotton sourcing for our Australian Cotton range.
- Continued supply chain transparency by mapping our Tier 2 suppliers, with full visibility already established for our Tier 1 factories. Working towards achieving full transparency by the end of FY26.
- Held supplier conferences in China and India where we got to engage with our key partners, suppliers and team members supporting their awareness of and understanding of modern slavery risks within the supply chain



A NOTE FROM ELLE ROSEBY
ADAIRS GROUP CEO
& MANAGING DIRECTOR

At Adairs, we recognise that protecting and respecting human rights across our operations and supply chain is both urgent and ongoing. Building on the commitments outlined in our FY24 Statement, in FY25 we made significant progress in supplier engagement, traceability, and governance. Looking ahead to FY26, our focus remains on achieving full end-to-end supply chain visibility and strengthening worker voice mechanisms.

In FY25, we embedded modern slavery awareness across our teams, enhanced risk assessment across our value chain, strengthened supplier relationships, and expanded training. We also improved supply chain visibility and invested in grievance and whistleblower channels to ensure workers have safe and accessible ways to raise concerns. Identifying risks is only the beginning; the true measure of our commitment lies in how effectively we respond, remediate, and build resilience into our operations and partnerships.

In FY25, we focused on:

- Deepening transparency across our tiered supply chains, including raw material sourcing.
- Strengthening governance by keeping modern slavery a priority at board and executive level.
- Building supplier capability through education, audits, and collaboration.
- Enhancing worker voice mechanisms to ensure the rights and wellbeing of those most at risk are central to our approach.
- Establishing clear performance metrics to measure and report on the effectiveness of our actions.

Modern slavery is a complex global issue, and while we cannot solve it alone, we are committed to working in partnership with industry peers, stakeholders, and communities. Guided by our values, we will continue to evolve our program to meet compliance obligations and make a meaningful contribution toward safe, fair, and ethical work for all. I thank our teams, suppliers, and partners for their efforts over the past year. Together, we will continue striving for a supply chain where every person is treated with dignity and respect.

STRUCTURE, OPERATIONS
AND SUPPLY CHAIN

ADAIERS LIMITED

Adairs Limited is Australia’s leading omnichannel specialty retailer in the home furnishings and home décor sector. Through our three vertically integrated brands — Adairs, Mocka, and Focus on Furniture, we bring design-led, customer-focused products to life, offering quality pieces that are thoughtfully created in-house and delivered directly to our customers across Australia and New Zealand.

1. THE REPORTING ENTITY

Adairs Limited (ABN 50 147 375 451) is an Australian publicly listed company. This Modern Slavery Statement is a joint statement, made on behalf of all reporting entities into Adairs Limited, being the following:

- Adairs Retail Group Pty Ltd – Trading as ‘Adairs’
- Focus on Furniture Pty Ltd – Trading as ‘Focus on Furniture’
- Mocka Products Pty Ltd – Trading as ‘Mocka’

ADAIERS

Adairs is a leading specialty retailer of home furnishings in Australia and New Zealand with over 160 stores across a number of formats and a large and growing online channel. Our strategy is to present customers with a differentiated proposition, which combines on-trend fashion products, quality staples, strong value and superior customer service.

MOCKA

Mocka, a wholly owned subsidiary of Adairs, is a vertically integrated pure-play online home and living products designer and retailer operating in Australia and New Zealand. Mocka sells its own exclusive, well designed, functional and stylish products in the Home Furniture & Décor, Kids and Baby categories. Delivering great product and compelling everyday value-for-money is core to the Mocka customer proposition.

FOCUS ON FURNITURE

Focus on Furniture is a vertically integrated omni-channel furniture and bedding retailer offering well-designed, functional and on-trend products at great value for money through its network of 25 stores in Australia and its online channel. Focus on Furniture is characterised by its attention to customer service, support, product quality and range.

Adairs Limited
Board of Directors

Adairs Limited
Audit & Risk Committee

Adairs Limited
Group CEO & Managing
Director

Risk Internal Audit Ethical
Sourcing

Group Risk and
Compliance

Legal Health &
Safety Sustainability

Adairs

Mocka

Focus on
Furniture

OUR STRUCTURE

All three businesses are vertically integrated, designed, customer-focused, and sell quality in-house designed products direct to customers.

We operate out of a number of distribution centres (DCs) in Australia and New Zealand and contract with third-party logistic providers (3PLs). Adairs Limited's headquarters is in Melbourne, Victoria. We also have an office in Shanghai, where two team members are based on the ground and report into our Group Risk and Compliance team, providing local oversight and support across our supply chain operations.

Unless stated otherwise, references to 'Adairs', 'we', 'our', 'the Group' or 'the Company' in the following sections of this statement are a reference to Adairs Limited.

GOVERNANCE STRUCTURE

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 Audit and Risk Committee are directly responsible for the activities taken by all owned and controlled Australian entities to assess and address modern slavery risks, including our reporting obligations.



OUR OPERATIONS

ADAIRES

Adairs operates across retail, support office, and distribution centre locations, with additional sourcing and quality operations based in Shanghai, China.

Our support office is located in Melbourne, Victoria, Australia.

We operate retail stores across Australia and New Zealand, with warehouse operations based in Melbourne and a third-party logistics (3PL) facility managed in New Zealand.

MOCKA

At Mocka we operate online with an emerging retail presence. Our support offices and distribution centres operate out of Brisbane, Australia and Christchurch, New Zealand.

FOCUS ON FURNITURE

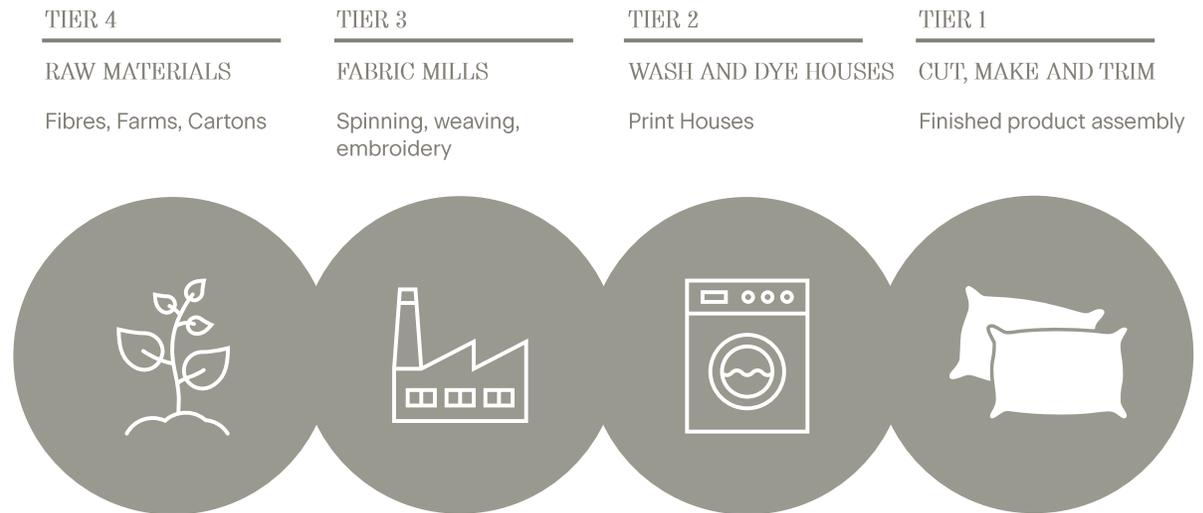
At Focus on Furniture, we operate across retail, support office, and distribution centres.

Our support office operations are based in Melbourne, Victoria Australia.

All retail stores and distribution centres operate in Australia.

OUR SUPPLY CHAIN

At Adairs, we partner with a global network of suppliers who not only deliver quality products but also share our values of respect, safety, and integrity. We are committed to conducting business lawfully and ethically and expect our partners to uphold the same standards by complying with relevant global laws, regulations, and frameworks.



MERCHANDISE SUPPLY CHAIN

The majority of our merchandise is manufactured in China (including Hong Kong), with additional sourcing from India, Vietnam, Bangladesh, Pakistan, Malaysia, Türkiye, and Indonesia. This diversified network supports our extensive product range across bedlinen, bedding, bathroom, beach, furniture, lighting, home accessories, décor, fragrance, and pet.

Our sourcing model reflects the diverse requirements of the home category. Products often require a wide range of inputs, fabrics, dyes, trims, buttons, zips, foams, timbers, leathers, and other raw materials drawn from suppliers across different regions. As such, supply chains are inherently complex, and each stage of production, from raw material cultivation through to final product assembly, may involve many factors across multiple countries.

To strengthen oversight, Adairs conducts supplier profiling to map Tier 1 suppliers and identify regional risks, while our Group Risk and Compliance Team undertakes in-person factory visits in key sourcing regions. These visits provide direct assurance on social compliance, support stronger supplier relationships, and reinforce our commitment to safe and fair working conditions.



NON-TRADE GOODS & SERVICES SUPPLY CHAIN

Beyond merchandise, Adairs engages a range of non-trade suppliers supporting our logistics, technology, marketing, professional services, facilities management, and store operations. While most are based in Australia, some international partnerships exist, particularly in logistics and technology. We recognise that modern slavery risks may also arise within these categories and have strengthened our due diligence to promote responsible practices across both trade and non-trade procurement. Modern slavery considerations are also integrated into our broader third-party risk framework to ensure consistent oversight.

SOURCING STRATEGY

Our sourcing strategy is built on diversification, spreading product manufacturing across multiple countries to strengthen resilience and mitigate risk.

In FY25, our merchandise sourcing footprint spanned 21 countries, working with over 250 finished goods factories.

The manufacturing process for our products is rarely linear and may involve:

- Cultivation of raw materials (e.g., cotton or linen)
- Processing fibres into yarns

- Weaving, knitting, or bonding into fabrics
- Wet processing (dyeing, washing, tanning)
- Cutting, making, trimming, and assembly
- Value-add processes such as embroidery, trims, hardware, or screen printing
- Packaging, labelling, and shipping

OUR MERCHANDISE SUPPLY CHAIN FOOTPRINT

COUNTRIES
21

SUPPLIERS
259

FACTORIES
342

COUNTRY OF ORIGIN	GROUP
CHINA	75%
INDIA	6%
AUSTRALIA	6%
BANGLADESH	3%
MALAYSIA	3%
VIETNAM	2%
TURKEY	1%
OTHERS	4%

CONCENTRATION	ADAIRS	FOCUS	MOCKA
LARGEST SUPPLIER	17%	23%	29%
TOP 10	53%	91%	85%
TOP 20	74%	99%	97%



MODERN SLAVERY
RISKS

IDENTIFYING MODERN SLAVERY RISKS

Modern Slavery refers to situations where coercion, threats, or deception are used to exploit people and undermine or deprive them of their freedom. In line with the Modern Slavery Act 2018 (Cth) we understand modern slavery risks as those that we may cause, contribute to, or be directly linked to through our operations, products, or services.

We recognise that modern slavery does not occur in isolation. It is often connected to other human rights concerns, such as unsafe working conditions, excessive hours, or unfair wages which can increase vulnerability to exploitation. Addressing these risks is part of Adairs' broader commitment to upholding human rights and promoting safe and fair work across all parts of our business.

Our approach integrates modern slavery risk assessments into our wider ethical sourcing and compliance frameworks. This means understanding where risks may arise, taking proactive steps to prevent and mitigate harm, and continuously improving how we engage, monitor, and support our suppliers.

TYPE OF CONNECTION	EXPLANATION	EXAMPLE (RELEVANT TO HOMEWARES AND FURNITURE)
CAUSE	A business may cause modern slavery or other human rights harm where its actions directly result in modern slavery occurring	Example: A supplier engaged to manufacture products for the business is found to be employing workers under coercive conditions, providing remuneration below legal standards, or requiring excessive working hours.
CONTRIBUTE TO	A business may contribute to modern slavery or other human rights harm where its actions or omissions facilitate or incentivise modern slavery.	Example: Pressuring a supplier to deliver products at an unrealistically low cost or within an unreasonable timeframe, leading them to underpay workers or subcontract to unaudited factories.
DIRECTLY LINKED TO	A business may be directly linked to an adverse human rights impact where it is connected to the impact through the actions of another entity with which it has a business relationship, such as a supplier.	Example: A Tier 2 fabric mill producing textiles for a product is found to be sourcing cotton linked to forced labour practices.

RISK CATEGORY	EXPLANATION
INDUSTRY RISK FACTORS	<p>The homewares, textiles and furniture industries are widely recognised as high-risk due to their complex, multi-tiered supply chains. These sectors often rely on migrant, unskilled, or temporary labour, particularly in offshore manufacturing environments. Such conditions can contribute to exploitative practices, including excessive working hours, underpayment, and unsafe working conditions. We continue to strengthen supplier engagement and oversight to address these risks.</p>
PRODUCT RISK FACTORS	<p>Certain products such as cotton-based textiles and decorative goods carry inherent risks due to the nature of their production. These items have historically been linked to forced labour, especially in early-stage extraction and manufacturing. We are working to improve traceability across raw material sourcing and prioritise suppliers who demonstrate ethical labour practices</p>
GEOGRAPHIC RISK FACTORS	<p>We source from a range of international regions, some of which present heightened risks due to weak governance, conflict, or socio-economic instability. Specific areas such as Xinjiang (China), Uzbekistan, and Turkmenistan have been associated with systemic labour rights concerns. We actively monitor geopolitical developments and adjust sourcing strategies to avoid exposure to these risks.</p>
ENTITY RISK FACTORS	<p>Some suppliers may lack robust governance frameworks or fail to uphold adequate protections for workers. We conduct due diligence to assess supplier policies, labour standards, and compliance with our ethical sourcing requirements. Where gaps are identified, we work collaboratively to improve standards or reconsider supplier relationships.</p>
POLITICAL RISK FACTORS	<p>Political instability, corruption, and regulatory shifts can impact the integrity of our supply chain. We monitor political developments in key sourcing regions and incorporate these insights into our risk mitigation and contingency planning.</p>



HOW WE IDENTIFY RISK

Our risk identification process combines both internal and external inputs to ensure we understand where the greatest vulnerabilities may lie. This process is led by our Group Risk and Compliance Team and is integrated into our wider ethical sourcing program

We assess risk through a combination of:

- **Supplier profiling and mapping** — understanding our global supplier network by country, factory, and product category.
- **Supplier self-assessment and declarations** — collecting information directly from suppliers about workforce demographics, labour recruitment practices, and subcontracting.
- **On-site assessments and factory visits** — offering direct insight into working conditions, management practices, and worker wellbeing.
- **Incident reporting and grievance data** — monitoring internal and external reports to identify patterns or emerging risks.

- Monitoring global developments related to human rights, forced labour, and modern slavery to stay informed of emerging risks
- Engaging with industry peers to share insights and adopt best-practice mitigation strategies,
- Analysing trends from factory social compliance audits and Self-Assessment questionnaires

KEY RISKS IDENTIFIED

Throughout FY25, our monitoring and assessment processes highlighted several recurring concerns within our supply chain. The most prominent issues included:

- The use of undisclosed subcontractors, which compromises transparency and oversight
- Excessive overtime, raising concerns around fair working conditions
- Insufficient social insurance coverage, impacting worker welfare and legal compliance

A full outline of the required remediation actions is provided on page 27.

Additionally, a smaller number of occupational health and safety risks were identified, requiring targeted attention.

In response, we engaged directly with the relevant suppliers to implement corrective actions and worked collaboratively with industry peers to ensure our approach aligned with best practice standards.

We remain committed to supporting our suppliers in meeting their compliance obligations. This includes equipping all stakeholders, internal teams, suppliers, and partners with the knowledge, tools, and strategies needed to address these challenges effectively.

Our overarching goal is to reduce the risk of modern slavery by proactively resolving non-compliances and fostering a culture of ethical sourcing. Through these efforts, we aim to drive sustainable, long-term improvements in labour standards and transparency across our supply chain.



KEY FACTORS DRIVING MODERN SLAVERY RISKS

Modern slavery risks can arise due to several underlying factors, including:

- Use of migrant or unskilled labour in supply chains (including raw material production), where workers are more vulnerable to exploitation.
- Labour-intensive industries and regions heavily reliant on human labour.
- Unauthorised subcontracting, which may introduce unverified parties into the supply chain and increase the risk of modern slavery practices
- Child labour in extended supply chains, particularly in hazardous or harmful work such as raw material production.
- Extreme working conditions, including excessive overtime or lack of rest days.
- Underpayment of wages or social benefits.
- Limited transparency and poor collaboration across supply chain partners.

ASSESSING &
ADDRESSING RISKS

ADDRESSING MODERN SLAVERY RISKS

At Adairs, we recognise that modern slavery risks are dynamic and require a proactive, risk-based approach. By developing a deep understanding of these risks and how they evolve over time, we focus our efforts on areas that pose the greatest risk to people. This enables us to allocate resources where we have the most leverage to drive meaningful change.

Modern slavery risk management is embedded within our Ethical Sourcing Program, which is overseen by senior leadership and integrated into our broader governance framework. Our Board receives regular updates on ethical sourcing and modern slavery risks, ensuring accountability at the highest level.

We take a risk-based approach to managing suppliers. Every supplier undergoes a comprehensive risk assessment that informs how we monitor and manage compliance with our Ethical Sourcing Program. While adherence to our Ethical Sourcing Policy is mandatory for all direct suppliers, requirements vary based on each supplier's risk profile. This approach allows us to prioritise higher-risk areas and strengthen protections for vulnerable workers.

Recognising that modern slavery risk increases deeper in the supply chain, we hold upstream suppliers accountable through our Supplier Code of Conduct. These suppliers maintain direct relationships with subcontractors and are expected to conduct regular factory visits to monitor compliance and uphold our standards. As a condition of engagement, all subcontractors must be disclosed and approved by our Ethical Sourcing Team before any work commences.

In FY25, Adairs hosted its first ever Supplier Conference in India and China, bringing together our top suppliers, key partners, and Adairs team members.

These events were designed to foster collaboration, share insights, and align our vision for the future. A key focus was on educating suppliers about modern slavery risks, as well as anti-bribery and corruption, reinforcing our shared responsibility to uphold human rights throughout the supply chain. This milestone demonstrates our commitment to building strong partnerships and driving continuous improvement through open dialogue and transparency.



Adairs is committed to building a robust transparency and governance framework to protect workers at all levels of our supply chain. We collaborate with industry experts to continuously enhance our Ethical Sourcing Program, which includes:

- A supplier traceability database to improve visibility across tiers.
- An ongoing social compliance auditing program, supported by annual factory visits.
- Mandatory Social Compliance Audit reports from all Tier 1 factories, conducted by independent, qualified third parties.

In FY25, our team conducted on-site visits to factories across China and India including a Regenagri-certified cotton farm in India, representing the most comprehensive engagement with a Tier 4 supplier to date. These visits enabled firsthand observation of operational and labour conditions, reinforced traceability, and supported responsible sourcing at the raw material level. Alongside audits and inspections, we maintain formal grievance mechanisms and confidential whistleblower channels, both internal and external, to support compliance, accountability, and the protection of workers' rights.

Through these measures, Adairs continues to strengthen its governance, transparency, and ethical sourcing practices, ensuring that modern slavery risks are identified, mitigated, and managed effectively across our global supply chain.

POLICY FRAMEWORK

Adairs has established a comprehensive policy framework that underpins our governance structure and operational approach to identifying, managing, and remediating modern slavery risks. This framework ensures that our ethical sourcing principles are embedded across all aspects of our business and supply chain.

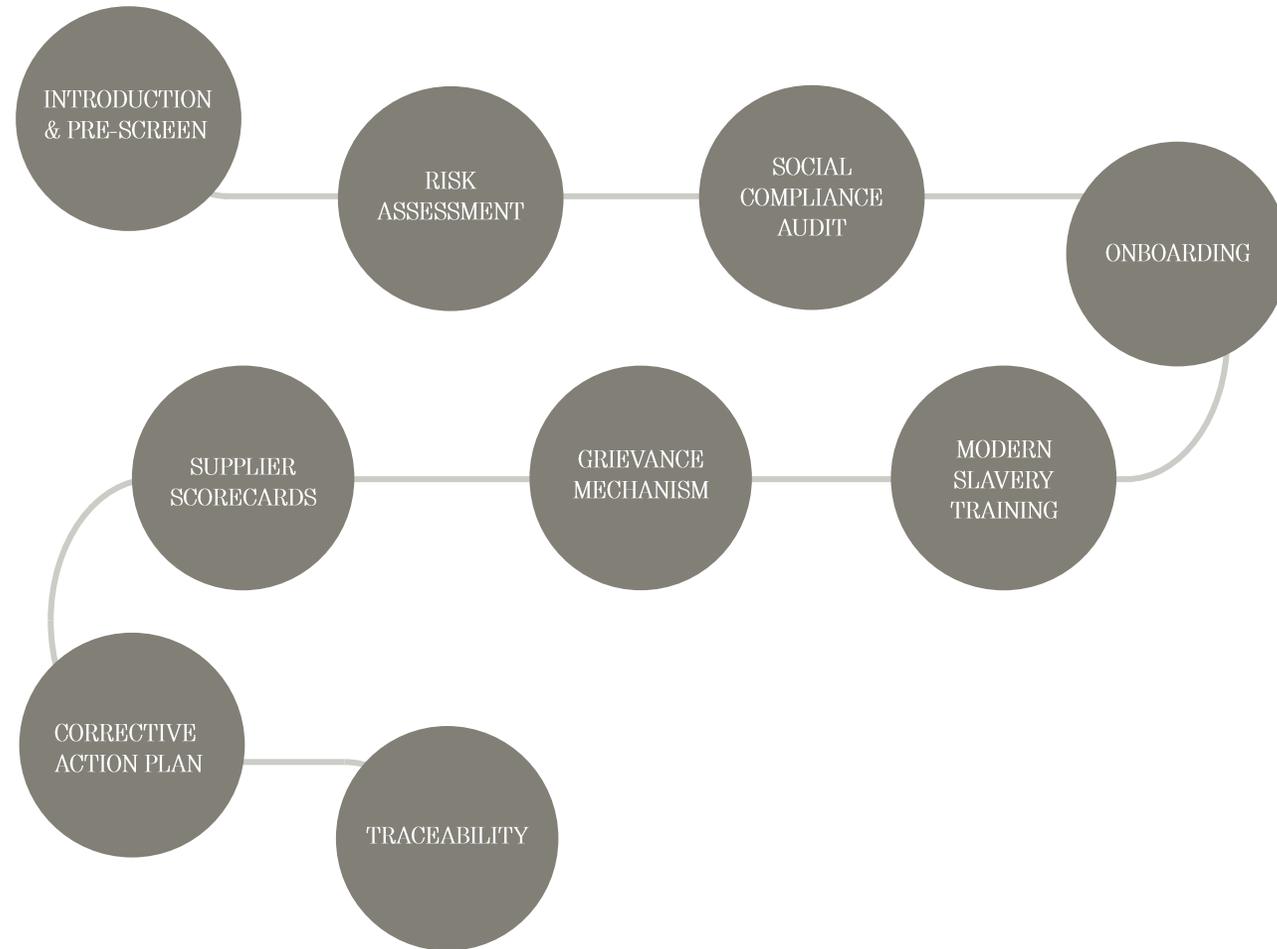
At the core of this framework is our Ethical Sourcing Policy, which sets out the overarching principles and key values guiding our approach to human rights and social impact. Supporting this are detailed policies designed to minimise modern slavery risks and strengthen responsible sourcing practices.

Our Supplier Manual is the primary tool for communicating expectations and requirements to suppliers. All suppliers must agree to these terms and sign our Supplier Agreement, which governs the operational relationship and trading terms, including supply chain governance.

Compliance is enforced through supplier onboarding and due diligence processes, ensuring that no supplier is engaged until a signed Supplier Agreement and Code of Conduct have been received and approved by Adairs.

POLICY, PROTOCOL OR MECHANISM	PURPOSE
SUPPLIER CODE OF CONDUCT	Confirms supplier commitment to meeting Adairs' standards for ethical behaviour and compliance.
MODERN SLAVERY AND FORCED LABOUR POLICY	Outlines expectations for suppliers regarding worker rights and conditions.
CHILD LABOUR POLICY	Reinforces our zero-tolerance stance on child labour in line with international standards.
ANTI-BRIBERY AND CORRUPTION POLICY	Establishes our zero-tolerance approach to bribery, corruption, and extortion.
GENDER EQUALITY IN SUPPLY CHAIN POLICY	Promotes gender equality through awareness, education, and ongoing initiatives across the supply chain.
SANCTIONED COUNTRY SOURCING POLICY	Sets clear expectations for sourcing raw materials from approved locations
UNAUTHORISED SUBCONTRACTING POLICY	Enforces zero tolerance for undisclosed subcontracting, mitigating higher-risk practices
SUPPLIER MANUAL	Provides a holistic overview of our expectations and requirements for suppliers, including adherence to all relevant policies
WHISTLEBLOWER POLICY	Provides a confidential mechanism for reporting concerns, including suspected modern slavery, ensuring issues are escalated and investigated appropriately

RISK ASSESSMENT FRAMEWORK



ONGOING DUE DILIGENCE

Adairs' due diligence framework is designed to ensure that our ethical, social, and sustainability expectations are clearly communicated, understood, and upheld across all aspects of our global supply chain. We take a proactive and collaborative approach combining supplier onboarding, independent assessments, regular site visits, and capability-building initiatives to strengthen governance and mitigate the risk of modern slavery.



ONBOARDING SUPPLIERS

Our onboarding process ensures that all new suppliers align with Adairs' values and operational standards. During onboarding, suppliers are required to:

- Comply with the Adairs Supplier Code of Conduct, which outlines our expectations for safe, fair, and lawful working conditions.
- Demonstrate robust environmental and sustainability practices.
- Provide full visibility of the production network upon request, including factories and subcontractors across Tiers 1–4.
- Sign the Adairs Supplier Agreement, confirming their commitment to ethical and compliant business practices.

This process allows us to establish transparent, responsible, and long-term partnerships with suppliers who share our commitment to integrity, quality, and respect for human rights.



FACTORY AUDITS AND ASSURANCE

Social compliance audits remain a key component of Adairs' supplier engagement and risk management program. These independent assessments help us identify, prevent, and address potential human rights violations and working condition concerns within our supply chain.

Adairs accepts independent factory audit reports from recognised organisations such as SEDEX, BSCI, and WRAP. These audits include confidential individual and group worker interviews, allowing employees to raise concerns safely and anonymously.

Our Factory Assurance Program ensures all Tier 1 factories, those directly producing finished goods for the Adairs Group are regularly assessed. Where issues are identified, we work with suppliers to develop corrective action plans and verify closure through follow-up audits or site visits.

In FY25, no instances of modern slavery were identified through our Factory Assurance Program. However, we remain vigilant and committed to continuous improvement to prevent exploitation risks across all tiers of production.

The Group Ethical Sourcing Team administers and monitors all audit findings. Critical issues requiring immediate attention are escalated to senior leadership, and when necessary, to the Executive Team for awareness, consultation, and approval of remediation actions. While termination of supplier relationships remains an option, our priority is to engage, support, and collaborate with suppliers to achieve sustainable improvements wherever possible.

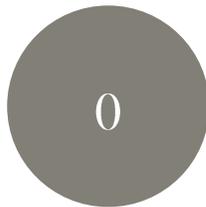
In addition to third-party audits, our Product and Compliance Teams conduct in-person factory visits each year across key sourcing countries. These visits provide valuable insight into working conditions, production practices, and the effectiveness of our supplier relationships.



Factory audits conducted in FY25



Major non-compliance findings



Critical non-compliance findings

CASE STUDY: TIER 4 TRACEABILITY

FARM LEVEL ENGAGEMENT: REGENAGRI COTTON PROJECT

In FY25, Adairs extended its commitment to ethical sourcing beyond factories by visiting a certified cotton farm in Botad, Gujarat, India. This farm is part of the Regenagri Project, which promotes regenerative agricultural practices to improve soil health, biodiversity, and farmer livelihoods while ensuring traceability from farm to fabric.

Our visit provided firsthand insight into:

- **Regenerative Farming Practices** – Techniques that restore soil health, reduce chemical inputs, and enhance sustainability.
- **Farmer Engagement and Training** – How farmers are supported to meet Regenagri Standard Criteria, ensuring compliance with ethical and environmental benchmarks.
- **Supply Chain Transparency** – Understanding the certification process, including Scope Certificates (SC) and Transaction Certificates (TC), which verify cotton integrity through every stage, from ginning and spinning to weaving and manufacturing.

This experience reinforces Adairs' commitment to responsible sourcing at the raw material level, ensuring that our sustainability and human rights principles extend beyond Tier 1 factories to the very origin of our products.

<https://regencottonindia.com/why-regenagri-cotton-sm-j/>



Pictured here: Group Head of Risk and Compliance and General Manager of Supply Chain

TRAINING AND AWARENESS

We believe that prevention begins with awareness. In FY25, Adairs conducted modern slavery awareness training for key stakeholders within our Product, Buying, and Compliance Teams. These sessions provided a forum for discussion, case studies, and practical examples to strengthen our collective understanding of risk indicators and response mechanisms.

Looking ahead, we are committed to expanding our training and education initiatives across all relevant functions. This includes collaborating with industry bodies and external experts to ensure our people remain informed of evolving best practices in identifying and mitigating modern slavery risks.

GRIEVANCE MECHANISMS

Adairs is committed to maintaining transparent and accessible channels for anyone connected to our business to raise concerns safely.

Our Whistleblower Policy outlines how improper or unlawful conduct, including potential instances of modern slavery can be reported confidentially and investigated appropriately.

We recognise that even with strong systems in place, ethical breaches may still occur. It is essential that team members, suppliers, factory workers, contractors, and customers can report concerns without fear of reprisal.

To ensure accessibility and independence, Adairs provides both internal and external reporting channels:

Internal:

- Email: whistleblower@adairs.com.au
- Phone: (+61) 3 8888 4506

External (Speak Up, operated by Core Integrity):

- Email: speakup@coreintegrity.com.au
- Web: <https://coreintegrity.com.au/su/adairs/>

All reports are treated seriously and reviewed promptly by the Group Risk and Compliance Team. Where necessary, matters are escalated to senior management for oversight and action. These disclosures help us identify where Adairs may inadvertently cause, contribute to, or be directly linked to potential modern slavery risks, ensuring a timely and transparent response.

Our goal is to foster a culture of integrity and trust where anyone, anywhere in our value chain, can speak up safely and confidently.

REMEDIATION

Adairs is committed to identifying, addressing, and remediating any human rights harm, including modern slavery, that we cause, contribute to, or are directly linked to through our business relationships.

When issues are identified, through audits, due diligence, or grievance mechanisms, Adairs follows a structured, risk-based remediation framework:

- **Zero Tolerance:** Immediate escalation for serious violations such as forced or child labour. This may include suspension or termination of supplier relationships while ensuring affected workers receive appropriate support.
- **Critical:** Requires urgent remediation, close monitoring, and regular reporting to ensure corrective measures are implemented.
- **Major:** Addressed through corrective action plans developed collaboratively with suppliers, with agreed timelines and follow-up verification.
- **Minor Non-Conformance:** Managed through process improvements, training, or strengthened documentation.

Adairs is committed to working collaboratively with suppliers to address issues, supporting them to identify root causes, strengthen systems, and implement meaningful improvements. We recognise that effective remediation goes beyond resolving individual cases and requires continuous improvement across our operations and supply chain. Over recent years, we have conducted modern slavery awareness training for key teams, undertaken supplier audits and factory visits, and reviewed global best practices to strengthen our approach.

Looking ahead, we are exploring opportunities to capture worker voice directly within our supply chain, including through confidential feedback channels, surveys, and engagement mechanisms that allow workers to raise concerns safely and anonymously. By listening to workers on the ground, we can identify risks at their source, respond more effectively, and implement targeted improvements that enhance working conditions and protect rights.

Our goal is to ensure that every person connected to Adairs, whether in our operations or supply chain, can raise concerns safely, receive fair treatment, and have confidence that their rights are respected and protected.

CASE EXAMPLE: ADDRESSING REMUNERATION RISK IN OUR SUPPLY CHAIN

During routine engagement, a concern was raised that worker pay at one of our suppliers may have been adversely affected after Adairs raised issues regarding the quality of a product order. This indicated a potential risk that commercial pressures could have been inappropriately transferred to workers, potentially resulting in wage deductions or withheld payments. Such practices, if substantiated, may constitute a modern slavery risk — specifically, economic coercion or debt bondage, where workers are penalised financially for matters beyond their control. These conditions can undermine workers' rights and may meet the threshold for exploitative labour under the Modern Slavery Act.

In response, Adairs activated its grievance and escalation protocol, initiating a targeted factory visit. Our team engaged directly with senior supplier leadership to investigate the concern, reinforce our expectations around ethical business conduct, and clarify that commercial negotiations must never compromise worker remuneration. Together with the supplier, we implemented corrective actions, including:

- A root cause review of internal practices.
- Targeted training for relevant staff.
- Strengthened internal policies to prevent recurrence.

We continue to monitor the supplier's compliance through follow-up engagement and capacity-building support. This case demonstrates the effectiveness of our due diligence mechanisms and our commitment to identifying, addressing, and remediating modern slavery risks. It also highlights the importance of accessible reporting channels, supplier education, and continuous improvement in upholding human rights across our supply chain.

EVALUATING EFFECTIVENESS
& OUTCOMES

ASSESSING OUR ACTIONS

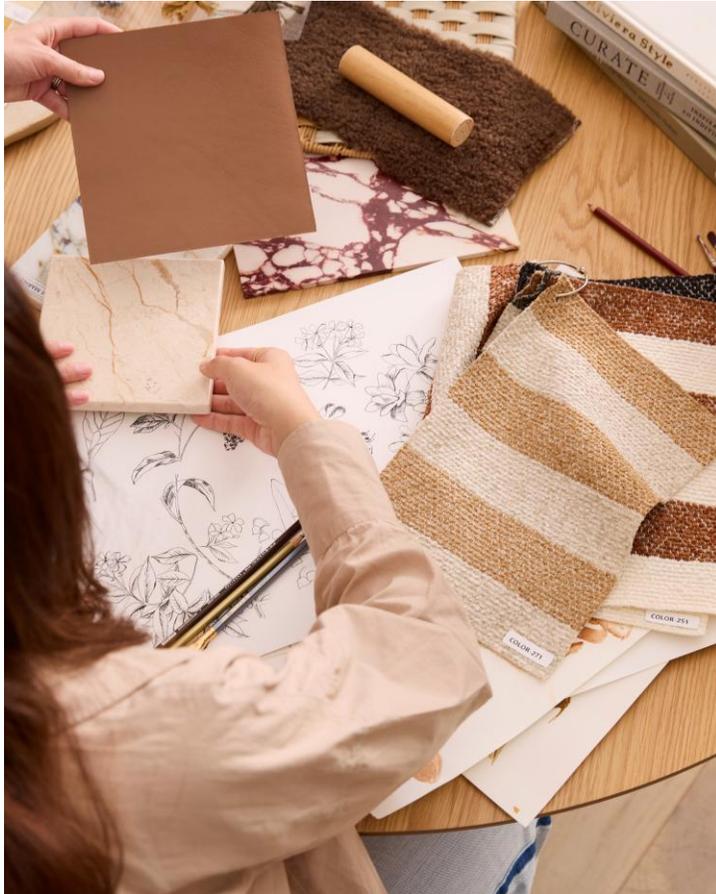
This section reflects on the commitments outlined in our FY24 Modern Slavery Statement and highlights the actions delivered during FY25. Adairs continually monitors and evaluates its efforts to identify, prevent, and address modern slavery risks across our operations and supply chain. We recognise that these measures must evolve as our business grows and as global human rights risks change. To ensure accountability and transparency, we use a combination of quantitative and qualitative indicators to measure effectiveness.

FY24 COMMITMENTS	FY25 PROGRESS / ACHIEVEMENTS
<p>STRENGTHEN SUPPLIER OVERSIGHT – Ensure Tier 1 suppliers are regularly assessed for social compliance risks and are engaged directly</p>	<p>Achieved 100% coverage of Tier 1 suppliers with up-to-date social compliance audit reports, exceeding FY24 oversight commitments and continued supplier factory visits to improve on-the-ground engagement.</p>
<p>ENHANCE SUPPLIER ENGAGEMENT & EDUCATION Collaborate with suppliers to raise awareness of modern slavery risks and support ethical practices.</p>	<p>Hosted supplier conferences in India and China, providing education on modern slavery risks and supporting implementation of sustainable practices.</p>
<p>IMPROVE RAW MATERIAL TRACEABILITY Increase visibility and ethical sourcing across key raw materials.</p>	<p>Conducted farm-level engagement, including a visit to a Regenagri-certified cotton farm in Gujarat, reinforcing traceability and responsible sourcing.</p>
<p>MODERN SLAVERY TRAINING</p>	<p>Delivered refresher training for key stakeholders and onboarding training for new starters to maintain awareness and understanding of modern slavery risks</p>
<p>POLICY FRAMEWORK REVIEW Update and strengthen company policies to reflect best practice</p>	<p>Updated Supplier Guide, Supplier Agreement, Supplier Code of Conduct and Supplier Onboarding Pack to strengthen policies and clarify expectations.</p>
<p>RESEARCH Conduct research to understand emerging risks, global trends, and effective mitigation strategies.</p>	<p>Ongoing research to understand new developments, emerging risks, and best practice approaches to modern slavery.</p>

AREA	OBJECTIVES	EFFECTIVENESS INDICATORS	FY25
POLICIES & CONTRACTUAL CONTROLS	Ensure policies set clear expectations around preventing modern slavery across operations and supply chains	<ul style="list-style-type: none"> • Policies reviewed annually • Suppliers signed Code of Conduct & Supplier Agreement 	<ul style="list-style-type: none"> • 100% • 100%
RISK ASSESSMENTS	Understand and assess exposure to modern slavery risks	<ul style="list-style-type: none"> • % of suppliers risk-assessed • High-risk suppliers prevented from onboarding 	<ul style="list-style-type: none"> • 100% • 100%
AWARENESS & CAPACITY BUILDING	Improve internal and supplier awareness of modern slavery risks	<ul style="list-style-type: none"> • Number of team members trained • Number of suppliers attending conferences/workshops 	<ul style="list-style-type: none"> • 90% • 67%
AUDITS & ISSUE MONITORING	Ensure audit quality and effectiveness of corrective actions	<ul style="list-style-type: none"> • Coverage of Tier 1 suppliers with social compliance audit reports • Reduction in critical issues • % corrective actions closed within agreed timeframes¹ 	<ul style="list-style-type: none"> • 100% • 100% • 59%
REMEDIATION & REPORTING	Provide effective grievance mechanisms and ensure timely resolution	<ul style="list-style-type: none"> • Number of grievances raised and resolved • Escalations to Executive Team 	<ul style="list-style-type: none"> • 1 • 100%

¹ We categorise audit findings as critical, major, or non-critical, with remediation deadlines from immediate to 6–12 months. Less-sophisticated suppliers may be granted longer remediation periods where appropriate, ensuring all risks are addressed responsibly.

CONSULTATION



CONSULTATION

This statement has been prepared in consultation with all owned and controlled entities of Adairs Limited listed in Appendix 1. Throughout the reporting period, senior management, executives, and directors have been actively engaged and informed on actions taken to address modern slavery risks and the development of this statement.

Key elements of our consultation process include:

- Shared Governance and Policies – All entities operate under a single Code of Conduct and Ethical Sourcing Policy, ensuring consistent standards across the Group.
- Cross-Functional Collaboration – Ongoing engagement between Ethical Sourcing, Group Head of Risk and Compliance, Legal, and Product teams to review and implement risk mitigation strategies.

Consultation Methods:

- Face-to-face meetings with Directors and senior leadership
- Regular email correspondence and document reviews
- Board meetings for oversight and approval of key actions
- Continuous consultation on actions throughout the year
- Industry Engagement – Active participation in external forums, including representation on the Australian Retailers Association Sustainability Advisory Committee, to share insights and align with best practice.

This collaborative approach ensures alignment across all entities and reinforces our commitment to transparency, accountability, and continuous improvement in addressing modern slavery risks.

FUTURE ACTION

Building on the commitments outlined in our FY24 Statement, Adairs has made significant progress in FY25, including expanded supply chain mapping, strengthened supplier engagement, and targeted modern slavery training. Looking ahead to FY26, we are focused on achieving end-to-end supply chain visibility, deepening governance and risk management, and fostering strong supplier partnerships. Through these ongoing efforts, we remain committed to ensuring that every product we make is underpinned by fairness, integrity, and respect for the people who make it possible.

FOCUS AREA	KEY FY26 COMMITMENT	ACTIONS	EXPECTED OUTCOMES
FULL SUPPLY CHAIN TRACEABILITY	Continue with to gain better traceability of tiers 2-4, starting with our top 30 suppliers.	Map supply chain, strengthen data systems, track KPIs.	Greater accountability, transparency, and ability to identify risks quickly.
NEW MARKET DUE DILIGENCE	Ensure all new markets and suppliers are ethically and operationally assessed.	Pre-engagement risk assessments, review audits & reports, local stakeholder insights.	Reduced risk exposure, informed market decisions, ethical compliance.
SOURCING AGENT ENGAGEMENT	Align with key international partners to strengthen sourcing, management, and ethical compliance.	Joint supplier audits & site visits, integrate procurement expertise, monitor supplier performance.	Improved supplier management, stronger governance, enhanced compliance.
SUPPLIER CAPABILITY & ENGAGEMENT	Build supplier capacity to proactively address modern slavery and ethical risks.	Training, workshops, site visits, sharing best practices.	Stronger partnerships, improved compliance, continuous improvement.



At Adairs, we understand that meaningful progress against modern slavery requires more than compliance.

It requires commitment, collaboration, and courage. We are proud of the advancements we have made and remain steadfast in our determination to ensure that every part of our business operates with respect for people and planet.

Through continued transparency, stronger partnerships, and our journey towards full supply chain traceability by FY26, we are building the foundations for long-term, systemic change. We recognise that this work is ongoing and that true impact comes from listening, learning, and acting with integrity.

We are grateful to our teams, suppliers, and partners who share in this commitment and continue to support us in advancing responsible business practices across our industry. Together, we will keep driving forward, ensuring that the products we design, make, and sell are created ethically, sustainably, and with dignity for all.

ELLE ROSEBY

ADAIRS GROUP CEO
& MANAGING DIRECTOR

APPENDICES

APPENDIX 1

All entities that are reporting entities and included in this joint statement

ADAIRES RETAIL GROUP PTY LTD	Trading as 'Adairs'
FOCUS ON FURNITURE PTY LTD	Trading as 'Focus on Furniture'
MOCKA PRODUCTS PTY LTD	Trading as 'Mocka'

APPENDIX 2

Definitions of Modern Slavery

TYPE OF MODERN SLAVERY	DEFINITION
Trafficking in persons	Recruitment, harbouring, and movement of a person for exploitation through modern slavery.
Slavery	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	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	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	Situations where the victim is not free to stop working or leave their place of work.
Debt bondage	Situations where the victim's services are pledged as security for a debt that is manifestly excessive, or the victim's services are not applied to liquidate the debt, or the length and nature of services are not limited and defined.
Deceptive recruiting for labour or services	Situations where the victim is deceived about whether they will be exploited through a type of modern slavery.
The worst forms of child labour	Situations where children are exploited through slavery or similar practices, including sexual exploitation, engaged in hazardous work which may harm their health, safety, or morals, or used to produce or traffic drugs.

APPENDIX 3

Statement Criteria Index

MDA MANDATORY REPORTING CRITERIA	LOCATION OF RESPONSE IN STATEMENT	PAGE
Identify each reporting entity covered by the joint statement	Introduction & Executive Note; Appendix 1	5, 6, 38
Describe the structure, operations and supply chains	Structure, Operations and Supply Chain	7-13
Describe the risks of modern slavery practices in the operations and supply chains of each reporting entity and any entities it owns or controls	Modern Slavery Risks	14-17
Describe the actions taken to assess and address these risks, including due diligence and remediation processes	Introduction & Executive Note; Addressing Modern Slavery Risks; Remediation	5, 6, 20, 27
Describe how each reporting entity assesses the effectiveness of actions being taken	Monitoring and Measuring Effectiveness	30-31
Describe the process of consultation with each reporting entity	Introduction & Executive Note; Addressing Modern Slavery Risks; Process of Consultation	5, 6, 20, 33
Include any other information that the reporting entity, or the entity giving the statement considers relevant.	Future action	35

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Our FY25 Modern Slavery Statement was approved by the
Board of Adairs Limited on 11 December 2025.

A handwritten signature in white ink, appearing to be 'T. Smith', is centered below the text.