

Modern Slavery and Human Trafficking Statement 2023

This statement, made pursuant to the Modern Slavery Act 2018 (Cth), sets out the steps taken by Dymocks Holdings Pty Ltd and its subsidiaries (the “**Dymocks Group**”) to address modern slavery and human trafficking risks in its business and its supply chain for the financial year ended 30 June 2023.

This statement does not apply to franchised or other non-managed businesses.

CURRENT POSITION

This is our fourth statement. It shows what we have continued to do in the past year to address modern slavery and human trafficking across our business and supply chain. We continue to develop and further enhance our current measures to address human slavery risks across our business and supply chain.

We continue to collaborate with other organisations to share knowledge, discuss approaches and build on lessons learned in addressing this worldwide issue.

PROGRESS AGAINST OUR SHORT-TERM PRIORITIES

PRIORITIES	ACTIVITIES
Assurance	Engagement of the ethiXbase 360 platform where a series of questions relevant to a supplier’s work force and targeting modern slavery and human slavery risks in the supplier chain was sent out to a select group of suppliers across the Dymocks Group. Ethixbase have been managing this process as and when suppliers complete the questionnaire by reviewing the responses provided by suppliers of the questionnaire sent in the previous financial year and continuing to work with suppliers in addressing any risks of modern slavery and human trafficking that may exist in their supply chain by making further enquiries with those relevant suppliers.
	Engaged with stakeholders and suppliers of the Dymocks Group to obtain their views on the role of the retail industry in promoting human rights and preventing modern slavery and human trafficking.
Policy & Training	Worked with suppliers to address any known or suspected instance of modern slavery and human trafficking in our combined supply chain.
	Attendance at numerous information sessions providing updates and practical guidance on the Modern Slavery regime in Australia and abroad.

The ethiXbase 360 platform is a third-party computer-driven system that contains a series of interconnected modules to create a configurable, end-to-end third-party compliance solution.

OPERATIONS, AND SUPPLY CHAINS

During FY23, we did not detect any material risk of modern slavery or human trafficking taking place within our supply chain.

The Dymocks Group sources significant quantities of goods and services, including those associated with selling books, stationery, general merchandise, farming equipment and property-related items. In FY23, the Dymocks Group worked with approximately 1,200 suppliers globally, with most of our annual \$100m supplier spend occurring with our first-tier suppliers primarily located in Australia, followed by the United States, the United Kingdom, New Zealand and, to a minor extent, China.

Our global supply chain is extensive, with some of our second-tier suppliers located in Europe, Asia and elsewhere.

The diversity of the products, geographic locations, markets and regulatory systems associated with these purchases continues to potentially expose the Dymocks Group to risk.

POLICIES & GOVERNANCE

The Dymocks Group Board continues to oversee our broader human rights program through the Dymocks Group Audit and Risk Committee. The Dymocks Group's policies, some of which are relevant to modern slavery e.g. our Modern Slavery Policy and our Whistle Blower policy, have continued to be reviewed and updated throughout FY23. They are also subject to annual communication to staff and certification by divisional CEOs that the policies are known and being applied.

All new suppliers on-boarded with the Dymocks Group including any supplier who renews their existing agreements with the Dymocks Group now have a modern slavery compliance clause in their contract.

The General Counsel and divisional HR leaders continue to look at alternative ways to develop and implement the Dymocks Group's broader human rights program, which includes modern slavery and human trafficking initiatives. Accountability for addressing modern slavery and human rights risk is cross-functional. Our internal business units work both individually and collectively at a Group level to embed our initiatives and supporting processes.

The Dymocks Group continues to bring awareness to its workforce on modern slavery risk management, and this continues to occur with the due diligence carried out on any current supplier when its contract is renewed and with any prospective supplier.

STRUCTURE & CONSULTATION WITH SUBSIDIARY ENTITIES

The Dymocks Group comprises Dymocks Holdings Pty Ltd ACN 008 453 110 and its wholly-owned subsidiaries, all of which have their registered office at Level 6, 428 George Street, Sydney. The Group has between 300 – 500 employees at any time based on peak trading periods across the business.

The key trading divisions of the Dymocks Group are:

1. **Dymocks Books & Gifts.** This business is engaged in the retail sale of books and related gift products
2. **Dymocks Properties.** This business is a commercial landlord operating office buildings in Brisbane, Sydney and Melbourne
3. **Arapala Macadamia Farms.** This business is a producer of macadamia nuts
4. **Telegram Group and its subsidiary, Milligram.** These entities provide wholesale and retail stationery and lifestyle products to other retailers and directly to the public.
5. **Dymocks Education.** An educational initiative of the Group which has two services: Dymocks Tutoring and Dymocks Training. Dymocks Tutoring provides tutoring services to children in NSW in Grades 3 to 12. Dymocks Training (RTO ID 45981) is a registered training organisation which is permitted to deliver accredited courses in Australia under the Australian Qualifications Framework.

In FY23, we have continued to update and brief each divisional CEO on modern slavery, raise their awareness of modern slavery and human trafficking risks and set expectations for compliance measures to be taken by that subsidiary. Each division ensures that Group Policies regarding modern slavery are adhered to and standard contracting terms related to modern slavery are incorporated into new contracts.

The Group does have investments in listed and non-listed entities. The majority of which operate in Australia. The Group has not yet extended its modern slavery due diligence into these entities, and this is a part of the FY24 plan to do so.

ASSESSMENT AND MITIGATION OF MODERN SLAVERY RISK

Modern slavery and human trafficking risks in our operation and supply chain is managed within our general risk framework. The Dymocks Group's Audit and Risk Committee is responsible for providing oversight on behalf of the Board.

To ensure that we minimise the risk of modern slavery and human trafficking and the potential exposure to human rights risk more broadly, we strive to strengthen our risk assessment program, including the ethiXbase 360 platform.

We continue to assess all the products and services we procure. We are particularly mindful that products and services within the categories of paper and stationery goods, information technology supplies and people services (particularly in relation to contracted cleaners, seasonal farm labour and manufacturers who manufacture products for some of our product ranges) represent an elevated risk of modern slavery and human trafficking.

We propose to adopt additional steps to assess and mitigate risk in our supply chain, which include:

- working with our suppliers to strengthen their internal policies and procedures, including, but not limited to, workers' labour and payroll conditions; and
- working with suppliers to implement solutions that meet international human rights standards.

These issues stand out because they have the potential to create the most severe negative impact to the Dymocks Group's activities or business relationships.

DUE DILIGENCE & SUPPLY CHAIN ASSURANCE

The Dymocks Group continues to take a proactive approach to eradicate modern slavery and human trafficking risk from our supply chain following our due diligence process.

Due Diligence

Within our own business, we continue to conduct regular audits of pay and conditions to ensure that our workforce are employed following Australian laws and standards and that there is no risk of modern slavery or human trafficking in our direct workforce. All employees are informed of the Whistleblowing Policy at the time of onboarding and encouraged to use that process if they have concerns about their pay, conditions or modern slavery compliance in general.

All new suppliers, as well as renewing suppliers, are subject to our due diligence process before onboarding or award of contract. Suppliers are asked to answer a brief prequalification questionnaire in accordance with the Dymocks Group's procurement contract management procedure. This enables us to identify potential areas of risk, and where those risks are identified, the supplier will be subjected to further due diligence and in some cases, a contract has not been awarded to a supplier as a result of some of their workplace practices that have been identified during this due diligence process.

We have utilised ethiXbase 360 platform for FY23 to provide preliminary due diligence assessments of providers and identify potential risks with a supplier. Where a potential risk is classified as being medium or above, the supplier is subjected to a more detailed assessment undertaken by our compliance team. This may require the supplier to furnish relevant internal policies and procedures or independent site audit reports.

We favour working with suppliers to resolve or substantially mitigate risks instead of terminating the relationship with the supplier.

Suppliers identified as presenting a risk through the due diligence process were reviewed through the ethiXbase 360 platform and additional targeted auditing, where appropriate. This monitoring activity provides auto-generated alerts of

any publicly available potential adverse information, enabling us to review and, if necessary, undertake appropriate action promptly.

We will continue to explore opportunities to ensure we are appropriately identifying, assessing, and mitigating the risk of perpetuating modern slavery and human trafficking.

Supply Chain Assurance

We procure many goods from a broad range of suppliers domestically and internationally, and we acknowledge that modern slavery and human trafficking may occur in our global supply chain.

MEASURING EFFECTIVENESS

There are currently no fundamental units of measurement or international standards for measuring human rights impact. This challenges us in measuring our effectiveness in addressing modern slavery and human trafficking risks.

We have some processes which will assist us in assessing the effectiveness of our program. For example, if a supplier were to be subject to an ethical audit and detailed action plans have been put in place to address findings, we would encourage the supplier to implement the action plans promptly.

The main metrics we use to review our Modern Slavery program are:

- Percentage of tier-one suppliers that have completed Modern Slavery audits
- Percentage of tier-one suppliers that have accepted standard (or appropriately amended) Modern Slavery obligations in supplier contracts
- Percentage of all other suppliers that voluntarily complete Modern Slavery annual reviews
- Percentage of all other suppliers that have accepted standard (or appropriately amended) Modern Slavery obligations in supplier contracts
- The number of advised modern slavery incidents detected in the supply chain of any Dymocks Group entity

DYMOCKS GROUP GOALS OUT TO 2024

- Continue to ensure compliance across the Group of standard contracting practices.
- Develop our own internal modern slavery surveys and continue to work with suppliers to increase the rate of completion of modern slavery surveys.
- Assess alternative systems and processes which may improve supplier responses to the Group.
- Improve internal training programmes addressing modern slavery to ensure that team members remain informed of the risks and are capable of identifying risk factors within their area of responsibility.
- Extend modern slavery due diligence into listed and non-listed entities of which the Group has investments in.

STAKEHOLDER ENGAGEMENT & COLLABORATION

We are committed to collaborating with all stakeholders, including governments and other businesses to eradicate modern slavery and human trafficking. In FY23, we participated in a government review of the Modern Slavery legislation and made submissions aimed at improving modern slavery regulation in Australia.

We continue to provide training to our employees who have now been able to identify potential red flags of modern slavery and human trafficking in their discussions with new suppliers who are onboarded including any practices of current suppliers. Employees have developed awareness of modern slavery and human trafficking and have been able to identify and report incidents to the General Counsel and the divisional HR leaders who in turn have advised employees what actions to take in responding to any incident that arises.

LOOKING FORWARD

Modern slavery risk management requires continuous commitment and ongoing collaboration, and we will endeavour to achieve the following:

PRIORITIES	ACTIVITIES
Stakeholder Dialogue (1-2 years)	<ul style="list-style-type: none"> <input type="checkbox"/> Identify whether our current Whistleblowing measures are the most appropriate measures for oversight and escalation of modern slavery and human trafficking issues. <input type="checkbox"/> Continue to work with key industry partners to adopt a program of works for the detection and prevention of modern slavery and human trafficking. <input type="checkbox"/> Develop new surveys in consultation with suppliers to increase the rate of response to modern slavery inquiries.
Assurance (2-3 years)	<ul style="list-style-type: none"> <input type="checkbox"/> Explore mechanisms to measure the effectiveness of actions we undertake to address modern slavery and human trafficking risk. <input type="checkbox"/> Continue to share detail relating to non-conformances and other findings through the risk assessment and due diligence processes. <input type="checkbox"/> All new and re-contracted suppliers to be assessed and where appropriate, managed and monitored effectively.

This statement was approved by the Board of Dymocks Holdings Pty Limited.



Mark Buckland
Director, Group Company Secretary & General Counsel