

Modern Slavery Statement

Policy Owner: Group Finance

Version: 5

August 2025

1. Introduction and reporting entity

In accordance with the requirements of the Australian Modern Slavery Act 2018 (**the Act**), Lynch Group Holdings Limited (**the Group**) has prepared this Modern Slavery Statement (**the Statement**) outlining the actions undertaken by the Group to identify and address risks of modern slavery occurring in its operations and supply chain for the year ending 30 June 2025 (**the Reporting Period**).

This statement is made by the Group as a reporting entity under the Australian Modern Slavery Act 2018 (Cth). It covers the Group and all of its controlled entities, including our two main trading entities: Lynch Group Australia Pty Limited and Lynch China (HK) Ltd, as well as their associated brands.



The term 'modern slavery' is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Specifically, the Act defines modern slavery as including the following eight types of serious exploitation:

- trafficking in persons
- slavery
- servitude
- forced marriage
- forced labour
- debt bondage
- deceptive recruiting for labour or services
- child labour

The Group is committed to identifying and mitigating modern slavery risks and human rights violations occurring within its business operations or supply chain.

2. Our structure, operations, supply chain and customer

2.1. Structure

The Group is an Australian incorporated wholesaler of floral products headquartered in Sydney, New South Wales. The Group is the largest wholesaler of floral products in Australia, with a national footprint and facilities in all major Australian cities. The Group has been in operation for more than 100 years and has supplier relationships that go back more than 60 years. In this market, the Group's strategy is to continue the structural shift in floral supply through Australian supermarkets.

The Group has also been in business in China for more than 20 years, where it is a leading grower and wholesaler of premium flowers. In the China market, the Group's strategy is to capture scalable opportunities by leveraging its Australian expertise and large scale, value-added processing and to increase production capacity through developing secured land, enhancing yields at existing farms and expanding penetration into mass-market sale channels for floral products.

The Group's product offering can be broken down into three main categories:

- **Straights:** single flowers or bunches of the same flower commonly purchased for self-consumption
- **Bouquets and arrangements:** mixed arrangements of multiple flower types directed towards the gifting market and minor self-consumption for convenience of ready-made products
- **Potted plants:** low-maintenance small potted plants for indoors commonly purchased for gifting

The Group manages a complex, global, vertically integrated value chain, which drives the long-term sustainability of the business and helps overcome the challenges of a short shelf-life in our floral products. We operate throughout three of the four key steps in the floral market value chain:

- **Breeding:** The activity of plant breeding is an essential part of the value chain within floriculture. Breeding involves the development of new plant cultivars that afford novel attributes within those plants. Such attributes include colour, shape or patterns of petals, leaves or plants, disease resistance, inflorescence architecture, perfume, or countless other characteristics. The Group does not currently directly perform plant breeding activities, however the Group may act as agents or conduits to growers for breeders who are offering their genetics in the market.
- **Growing:** includes flower propagation and Cultivation:
 - **Flower propagation:** Propagating flowers involves the clonal multiplication or seeding of plants intended for planting. Propagation can take the form of multiplication of plants for use on the propagators' farm, or else may be an activity designed to create rooted or unrooted cuttings for sale to external farms.
 - **Cultivation:** Cultivation of cut flowers involves using propagated plants for planting and nurturing such plants to maturity and harvest in readiness for further transport within the supply chain
- **Wholesaling:** includes procurement, transportation, customs clearance and processing activities:

- **Procurement:** procuring floral / plant supply, componentry and services. Purchase of flowers and plants may be via contracted supply or on specification outside of contracts. Procurement assists in the integration of supply and demand through coordinating the breeding, growing, logistics and retail interface. Procurement may source from multiple suppliers and geographies in order to ensure continuity and security of supply.
- **Transportation:** organising cold chain transportation logistics including securing appropriate mix of land / air / sea transportation for cut flower volume. Flower and potted plant logistics are temperature controlled and transported by air (global or domestic), sea (global) and road (domestic)
- **Border processes:** ensuring international consignments are cleared by relevant government regulators including Border Force/Customs, Department of Agriculture, Fisheries and Forestry, Department of Climate Change, Energy, the Environment and Water, state government DPIs etc) whereupon flower imports are subject to documentation review, biosecurity inspections and additional re-processing in the case of 'failed' inspections
- **Processing:** processing bulk flowers dependent on the wholesaling model where activities include unpacking and cutting, re-hydrating, producing into finished floral products and packaging for distribution. The processing of flowers is also dependent on the retail channel which could mean products are either processed into finished goods (e.g., florists adding value) or combined with purchasing of finished flower products from wholesalers
- **Retailing:** selling finished products to end consumers, which includes activities such as category management, merchandising and other point of sale activities, and sales and marketing to tend to consumers

2.2. Operations

As the only player of national scale in Australia, and with a significant footprint in China, the Group navigates the complex floral supply chain to provide supermarkets and other customers with stable, large quantity, year-round supply of standard, customer-ready floral products. The Group's scale, innovation, worldwide sourcing capability and continued investment in instore merchandising teams have greatly changed the perception of supermarket flowers in Australia.

The Group's core operations include the growing, wholesaling and retailing of our floral products.

Growers are managed under several arrangements to provide flexibility of supply. Such arrangements include Group owned, contracted and partially contracted growers. For the farms owned and managed by the Group, the Group oversees the planting, growing, harvesting, packing and transportation of floral products.

The Group has also developed a large and sophisticated cool chain distribution network (including use of cold storage spaces and refrigerated trucks) with facilities located in all major Australian cities and in Kunming, Shanghai and Guangzhou in China. The Group's cool chain distribution network enables prolonged flower life using cool chain technology for flowers sourced from global suppliers.

This model enables the Group to not only grow floral products but also to use fresh cut flowers to design and create consumer-ready floral products; wholesale floral products to all retail and wholesale channels in Australia (supermarkets in particular); merchandise floral and potted display stands for supermarket clients in Australia and wholesale floral products to key retail and wholesale channels in China, including digital sales platforms.

2.3. Supply chain

The Group has access to worldwide breeders and maintains longstanding global grower relationships that provide large scale, low cost and secure supply, with the Group's China farm operations further securing low cost and a high-quality supply. Some of the Group's supplier relationships span over 40 years, allowing the Group to have a solid understanding and insight over how these breeders and growers operate.

The Group notes the best quality products come from building long term relationships with suppliers. It is for this reason that the Group has developed and invested in our internal teams and supply chain management. In addition to our operations mentioned above, the Group relies on a complex, global supply chain to deliver our products to market.

Outside of the Group's own farms, the Group's key suppliers are the flower farms and nurseries which supply our floral and potted products. These farms are operated by third parties and come in two forms:

- farms where the Group secures up to 100% of supply
- short term contracts or uncontracted purchases to ensure low-cost, secure and flexible supply

Other direct suppliers include:

- manufacturers of accessories or components used in our products
- third-party transportation and logistics companies which transport products internationally and domestically
- reputable, well established labour hire agencies
- service providers who are responsible for the cleaning and maintenance of facilities around Australia and China

2.4. Customers

The Group primarily services supermarkets and mass-market retailers in Australia, as well as online retailers and florists. The Group acknowledges the importance of collaborating with customers in the assessment and mitigation of modern slavery risks in operations and supply chains. The Group also understands that customers have rising expectations from suppliers on managing ethical sourcing, human rights and modern slavery risks, resulting in:

- requirements contained within updated supplier contracts and purchase orders
- introduction of policies and supplier codes of conduct
- requesting completion of supplier self-assessment questionnaires

- participating in and responding to customers' formal audit and review procedures such as the Sedex Members' Ethical Trade Audit (SMETA)
- implementing ongoing monitoring programs

The Group's key customers are large and established organisations who have a number of requirements regarding human rights and modern slavery in place. As such, the Group is focused on continuing to align to its suppliers' expectations, requirements and commitments. To ensure that this continues, the Group engages in ongoing dialogue with key customers to keep up to date with changing modern slavery and human rights expectations.

3. Risks of modern slavery in operations and supply chain

The floral products that the Group produces for the Australian market are manufactured and stored in facilities across Australia and supplied from farms within Australia and overseas. The floral products that the Group produces in the China market are stored in facilities in Kunming, Shanghai and Guangzhou and are mostly supplied from the Group's own farms, in Yunnan province. The Group understands that some overseas farms, and other diversified suppliers, may operate in countries where modern slavery risks are elevated, and recognises that modern slavery is an issue that exists across many industries and in all countries in the world. The Group takes this risk seriously and approaches the management of it accordingly.

3.1. Modern slavery risk in operations

Due to the nature of the Group's business model and workforce profile, the Group recognises the potential for modern slavery risks in its operations. Within the operations, a portion of the Group's workforce includes workers who may fit into one or more of the following categories

- a) Are working within the agriculture sector
- b) Are employed through third-party agencies
- c) Have been offered base-skilled labour roles; and
- d) Those who are foreign-born and are living and working on a visa

These are characteristics that could potentially put workers at an elevated risk of modern slavery. However, most workers are employed by the Group directly through permanent contracts or by reputable, well-established labour-hire agencies. Additionally, the Group has several internal controls in place to ensure fair work practices, in compliance with applicable laws. As such, the Group considers the risk of modern slavery within our operations to be 'low'.

The Group acknowledges that it is important for it to continue to monitor working conditions, recruitment, and gender across the business, to ensure we are effectively managing this risk on behalf of all of workers.

3.2. Modern slavery risk in supply chain

The Group acknowledges that modern slavery risks may exist within its supply chain, given its complex and vertically integrated model and global scale.

Due to the nature of its business, the Group acknowledges that a large majority of suppliers fall into elevated risk categories. Examples of suppliers in higher risk sectors¹, include:

- agricultural products
- human resource and employment services
- plastic, metal and glass containers
- fertilisers and agricultural chemicals

¹ Categories are based on the Global Industry Classification Standard.

From its risk assessment referred to below, the Group notes that it engages suppliers operating in some higher risk countries, including, but not limited to:

- China
- Colombia
- Ecuador
- India
- Kenya
- Malaysia
- Vietnam

To continue to enhance the Group's understanding of the likelihood of modern slavery risks within its supply chain, the Group has undertaken supplier risk review, assessment and ratings, and furthermore undertakes to review the risk assessment and ratings periodically. The review was guided by the Informed 365 Modern Slavery Risk Matrix Methodology as augmented by the Group's own Ethical Trade Risk Assessment Matrix, developed over the time that the Group has operated in the global floral market. The Group has also issued surveys to global suppliers, to assess their modern slavery risks and that of their supply chains. This has helped inform the Group's approach on managing modern slavery risk within the supply chain and enabled the Group to confirm that none of its global suppliers appear to fall within the high-risk category.

4. Assessing and addressing risks of modern slavery

No incidents of modern slavery were identified in the Group's operations or supply chain during the reporting period.

The Group has a governance structure in place to manage operational and supply chain risk and is continually reviewing its approach and priorities, to have the greatest impact. The Group leverages its governance structure to implement key controls related to modern slavery risk, for both its operations and supply chain, as part of its Modern Slavery Roadmap.

4.1. Operational modern slavery risk management

Key policies and procedures that underpin the Group's governance approach to maintaining a safe, ethical and diverse workplace extend across the Group's operations and apply to all workers located at any facility in Australia and China.

These key policies and standards include:

- **Code of conduct** describes the standards of behaviour and conduct expected from workplace participants in their dealings with customers, suppliers, clients, co-workers, management and the public
- **Human rights policy** describes the Group's commitments to upholding human rights and its expectations of its suppliers, contractors and partners if they wish to continue to do business with the Group
- **Ethical sourcing policy** describes the ethical and legal standards required from suppliers, particularly in respect of their dealings with workers, to be eligible to remain as suppliers of the Group
- **Ethical sourcing grievance process** describes the process by which a worker, supplier, or anyone else who wishes to report any non-compliance with the Ethical Sourcing Policy may do so, including the protections including whistleblower provisions, afforded to them throughout the process.
- **Contractor management procedure and process** covers the selection, management and monitoring of contractors engaged by the Group
- **Recruitment process** provides guidance and assistance to all managers and supervisors who are involved in recruitment, selection and promotion of employees of the Group
- **Anti-discrimination and equal employment opportunity policy** relates to any forms of discrimination, vilification, sexual harassment, bullying and victimisation
- **Gender equality in the workplace policy** is a workplace program attempting to eliminate discrimination and contributing to gender equality in employment and in the workplace
- **Whistle-blower policy** is aligned to Australian legislation, it describes the process by which a worker is able report any instances of wrongdoing across our operations, as well as the protections afforded to them through the process

The Group's workforce includes workers with base-skilled labour roles, on immigration visas and/or who have English as their second language. These workers may need additional support and information regarding potential human rights and modern slavery risks.

In FY25, the Group significantly enhanced its capability to:

- audit all working rights to ensure the correct information is on file for all employees
- enhance the process of visa checking through implementation of the automated vSure system, to remove manual data entry on the Federal Government immigration website

The Group's online modern slavery training and awareness program has been redelivered to all key personnel, including those responsible for procurement decision-making, across the whole of its Australian operations. In FY25, the Group's updated modern slavery training program was delivered to relevant staff across the Australian operations.

No modern slavery concerns were noted within the Group's operations during the period. As part of the Group's commitment to continuous improvement, it intends to continue to strengthen controls related to the Group's direct workforce, its third-party agency workers and any on-site contractors with respect to modern slavery risk.

4.2. Supply chain modern slavery risk management

The Group is committed to taking a leadership role in ensuring its supply chain reflects the highest standards of ethical conduct and activity. In alignment with the Group's vision and values, it seeks to positively influence ethical standards within and across the industry. The Group recognises that responsibility for ethical trade throughout its supply chain resides with the Group itself, as well as its key suppliers.

Prior to entering into a contractual agreement with key suppliers, the Group's Procurement team undertakes a due diligence process to ensure compliance to stated objectives of the Group's Ethical Sourcing Policy. Evidence of compliance may include holding third-party ethical trade and labour organisation certifications, SMETA or other documentary and/or firsthand evidence, or a combination of evidentiary sources, that serve to provide the requisite level of assurance. Examples of third-party certifications tracked include:

- Fair Trade
- Rainforest Alliance
- Global GAP/GRASP
- Florverde
- Flor-Ecuador
- MPS Socially Qualified
- Ethical Trade Initiative
- Kenya Flower Council Silver Certificate
- SA 8000

Additionally, the Group's Quality team maintains a register of external certifications for all key international suppliers which is reviewed and updated on a monthly basis. The register allows the Group to ensure that supplier certifications are maintained and up to date. The Quality team is also responsible for monitoring and ensuring that any regulatory changes are considered and appropriately addressed in order to maintain compliance. If no issues are noted, the Group's Procurement, Quality and/or Technical teams may conduct a site visit to ensure that quality of products, working conditions and Good Agricultural Practices (GAP) are in line with the Group's expectations and international standards.

Set out within the Group's Ethical Sourcing Policy, are the following expectations of key suppliers:

- Provide staff with wages, benefits and hours of work that are non-discriminatory
- Ensure working conditions are not harsh or inhumane and provide for adequate standards of health and safety

- Freedom of movement, freedom of association and no evidence of children working on site
- Be respectful of local regulations and comply with relevant environmental standards

To ensure ongoing compliance with its Ethical Sourcing Policy, the Group ensures that provisions are included in its supplier agreements that require compliance with modern slavery laws and permit the Group to conduct audits of its suppliers and supply chains, as well as provide information in relation to Whistleblower conduct and protections within the Group. The Group's Procurement and Quality teams undertake periodic review of key suppliers to confirm they comply with these practices. The Group has incorporated similar provisions in purchase orders to increase the breadth of ongoing compliance with its Ethical Sourcing Policy.

When the Group conducts supplier site visits, it also conducts a formal review to ensure compliance with the Group's Ethical Sourcing Policy, Human Rights Policy and Modern Slavery risk management processes. The review is designed to consider matters such as the condition of site facilities and infrastructure, employee health, safety and wellbeing, the freedom of movement of people and the freedom of association and to ensure there is no evidence of children working on site. The review provides the basis for a modern slavery/ethical trade assessment that is undertaken, as a matter of course, for supplier site visits and acts as a direct, supplementary risk mitigation exercise to other measures articulated above. In FY25, the Group's Procurement and Quality teams conducted site visits in Australia, China, Vietnam, Colombia and Ecuador to review and assure operational conduct of both existing and prospective suppliers.

Should a supplier be found, or suspected, to be non-compliant with the Group's requirements or expectations, the Group reserves the right to cease its business relationship with that supplier until sufficient remediation has been implemented.

The Group's Ethical Sourcing Policy, ongoing monitoring of regulatory requirements and certification compliance, and annual supplier contract reassessments provide a governance structure.

There was no modern slavery issues identified during the reporting period. However, should any such incidents be identified, the Group's Quality and Procurement teams would consider appropriate next steps that focus primarily on establishing and maintaining the safety of the affected people, potential corrective actions and assessment of future risk.

5. Assessing the effectiveness of actions

This is the sixth year that the Group has prepared a Modern Slavery Statement. Over the past year, the Group progressed implementing and evolving its internal modern slavery roadmap by:

- Continuing to progress a follow-up round of surveys to current suppliers to re-assess their modern slavery risks and that of their supply chains
- Completion of Modern Slavery Awareness training for all key personnel in Australian operations
- Completion of senior management legal training with respect to Sexual Harassment Awareness and Avoidance

- Completing formal ethical trading reviews as part of on-site assessments for all supplier visits conducted in the year in Australia, Africa, South America and Asia
- Implementing an automated platform for accurate recording of visa/working rights across the Australian operations
- Conducted a periodically determined review of existing Third Party Certification standards and their currency for use as alignment with the Group's Ethical Trade standards
- Performed a systemic 'fitness for purpose' review of the Self Reporting Questionnaires provided to suppliers
- Advancing standardised measuring tools to benchmark future risk assessments and apply weight to risk mitigation elements
- Integrating the monitoring and review of the Group's modern slavery processes into the Group's broader sustainability framework and reporting

The Group continues to integrate its modern slavery approach into its process of ongoing review, assessment and refinement of policies, procedures and governance structures in order to ensure an approach of continual improvement.

6. Consultation with our entities

As noted above, the Group's approach to modern slavery risk management encompasses all controlled entities of the Group, both domestically and overseas.

A process of internal consultation across the Group's Australian and China entities informed the drafting of this statement. This included engagement with members of the Group's modern slavery working group which includes four senior members from the Group's business development, human resources, quality and procurement streams. This working group was formed in 2021 as part of the Group's commitment to help manage human rights and modern slavery risks across its operations and supply chains.

7. Other relevant information and next steps

7.1. Modern slavery roadmap

To guide the Group's efforts to address potential risks of modern slavery within our operations and supply chain, the Group continues to follow its multi-year Modern Slavery Roadmap. This Roadmap focuses on designing robust policies and training programs, supplier risk assessments and ongoing due diligence and grievance and remediation channels. Underpinning the philosophy of the roadmap is to continuously improve and progress the level of standards, scope and depth of anti-modern slavery efforts in the supply chain. Key activities undertaken as part of the roadmap include:

Building robust policies & educating our people:

- Continuing to update, adapt, deliver and distribute internal training and awareness programs related to the Group's Ethical Sourcing Policy, Human Rights Policy and Modern Slavery Statement
- Continuously reviewing systems, training and governance to continuously enhance assurance

Undertaking detailed risk assessment and ongoing due diligence:

- Continuing to refine the supplier risk assessment process to assist in focusing efforts on the higher risk areas within the supply chain, both domestically and overseas
- Adopting a formal Ethical Trade Risk Assessment Matrix, to facilitate a consistent and standardised risk assessment processes in accordance with the Group's Ethical Sourcing Policy, Human Rights Policy and Modern Slavery risk management processes
- Imposing a system that continuously reviews the strength of risk mitigation measures and categories, in order to facilitate ever higher levels of confidence and assurance for the long term
- Embedding a review process for all supplier site visits to ensure reviews are conducted of a supplier's compliance with the Group's Ethical Sourcing Policy, Human Rights Policy and Modern Slavery risk management processes

Expanding our modern slavery approach to all controlled entities:

- Continuing to ensure all policies and procedures are being adopted and implemented by all controlled entities in future reporting periods

The actions within our Roadmap will be monitored and reviewed by our modern slavery and ethical sourcing working group, to ensure we meet our internal deadlines and external commitments moving forward.

This statement has been developed by our working group, discussed and agreed with the Group's Managing Director and approved by the Board.

Signature of Signing Authority

A handwritten signature in blue ink, appearing to read "Hugh Toll".

Hugh Toll, Managing Director on behalf of the Lynch Group Board of Directors

Date: 20 August 2025