




MODERN SLAVERY STATEMENT

Financial Year 1 July 2022 to 30 June 2023

D / S T R / C T



District acknowledge the Traditional Owners and Custodians of the lands on which we conduct business. We pay our respect to Elders past, present and future leaders, and we recognise the key to reconciliation is learning about First Nations diverse cultures and building strong and respectful relationships.

MODERN SLAVERY STATEMENT

District (formerly Table and Chair Company) was founded in 1989 and operates at the epicenter of a connected creative industry. We supply furniture and lighting solutions to commercial and residential environments and acts as a conduit between designers, brands, craft, manufacturing, and consumers both in Australia and internationally. With a vast network comes considerable responsibility to both people and planet. We are committed to the journey of minimising any negative impact from our business and making positive contributions where we can.

What is Modern Slavery?

Modern slavery is the severe exploitation of other people for personal or commercial gain. It is a tangible problem for millions of people around the world, including many in developed countries, who are being kept and exploited in various forms of slavery. Every company, including District, is at risk of being involved in this crime through its own operations and its supply chain.

District is committed to the eradication of modern slavery and this statement outlines the efforts undertaken in the financial year 1 July 2022 to 30 June 2023 to minimise risks within our supply chain.

This statement has been prepared in accordance with the Modern Slavery Act 2018 (Cth) and has been approved by the Senior Management Team at District.



At District, we believe in fostering an environment of understanding, respect, and collaboration. Our commitment to eradicating modern slavery is not just about corporate responsibility, we value the importance due diligence and our role in shaping a fair and inclusive society.

As director, I am honoured to endorse our modern slavery statement, which reflects our commitment to minimising risk and eradicating modern slavery in all its forms. We acknowledge our role and responsibility in this process and this statement is our blueprint for action.

Collectively, we endeavour to create an environment where we conduct our business while doing no harm to people and the planet in the process.

This statement was approved by Joseph Merlino as the Sole Director of District Australia Pty Ltd on 18th October 2023.

A handwritten signature in black ink, appearing to read 'J. Merlino'. The signature is fluid and cursive, with a large loop at the end.

Joseph Merlino
Managing Director
18th October 2023

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Criterion 1

| | |
|----------------------|---|
| Legal Name | District Australia Pty Ltd |
| Trading Name | District |
| ABN ACN | 92 009 419 274 009 419 274 |
| Legal Classification | Company (does not own any other entities) |
| Head Office | 246 Hay Street, Perth WA 6008 |
| Website | https://district.com.au/ |

Criterion 6

District Australia Pty Ltd does not own or control any other entities

Mandatory reporting criteria of the Modern Slavery Act

| | | |
|--------------------|--|----------------------------------|
| Criterion 1 | Identify the reporting entity | Refer above |
| Criterion 2 | Describe the reporting entity's structure, operations and supply chains | Refer District at a Glance |
| Criterion 3 | Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls. | Refer Risks of Modern Slavery |
| Criterion 4 | Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes | Refer Action |
| Criterion 5 | Describe how the reporting entity assesses the effectiveness of these actions. | Refer Effectiveness and Progress |
| Criterion 6 | Describe the process of consultation with any entities the reporting entity owns or controls | Refer above |
| Criterion 7 | Provide any other relevant information | Refer GECA |

DISTRICT AT A GLANCE

District represents a range of leading Australian, New Zealand and European furniture brands, manufacturers and suppliers. Our focus is quality furniture, designed and manufactured for the corporate, commercial, hospitality, retail, workplace, building and residential markets. District procures furniture products, workstation products & componentry, fabrics, lighting and accessories for these markets.

District has been entrusted by several of its international partners to produce or complete their products locally in Australia, in order to meet the demands of the industry. District manages the process of local production ensuring that the product is produced to the same standard as the Internationally produced product.

Direct suppliers are also known as tier one suppliers. There are other suppliers that contribute to District’s supply chain through the provision of goods or services to direct suppliers. These suppliers are indirect suppliers, often referred to as tier two, three or four suppliers. We know that modern slavery risks are often found beyond tier one suppliers at different stages of production, including raw material extraction.

District is committed to protecting and respecting human rights and condemns slavery in all its forms. We ensure that wherever possible we prevent and do not contribute to acts of modern slavery through our supply chains.



5

Sites in total

- Perth Showroom
- Melbourne Showroom
- Sydney Showroom
- Perth Warehouse
- Melbourne Warehouse



34

Team members

- All directly employed
- All located in Australia
- 1 subcontractor (Australia)

BRAND ORIGIN

| | | |
|---|----------------|--|
| 1 | Australia | Elements, Fomu, Studio Pip, District |
| 2 | New Zealand | Resident, Simon James, Nonn, Nodi, Evison |
| 3 | Denmark | Normann Copenhagen, New Works |
| 4 | United Kingdom | Toogood, Case |
| 5 | France | La Manufacture |
| 6 | Germany | Flokk |
| 7 | Sweden | Massproductions, Hem |
| 8 | United States | Humanscale, Sticky Glass, ROOM |
| 9 | Italy | Mattiazzi, Alias, Diemme, Mara, Pedrali, Giopato & Coombes |

DISTRICT AT A GLANCE

Brand relationships are usually long-term with product exclusivity to District provided sales targets are achieved. We partner with reputable suppliers and these relationship are contractual. For example, agreed prices where purchase orders are provided by District for supply.

District manufacture core products from international brands under licence in Australia via a network of local manufacturers subject to our GECA ecolabel licence.

FY2023 Supply Chain Statistics | Trade | Direct Suppliers



Manufactured in Australia or NZ

25%



Manufactured directly in China

14%



Manufactured under an ecolabel program with audits on the supply chain which include checks for modern slavery issues

27%



Manufactured directly within European Union members

32%

Direct suppliers are defined as a supplier who provides a product | service that is essential to our production process and revenue.

6 manufacturers have signed District’s supplier Code of Conduct.

Generally, raw material procurement is included in the manufacturing process.

25% of brands in completed Districts Supplier assessment.

Labour is employed from the local region where the manufacturing is located.

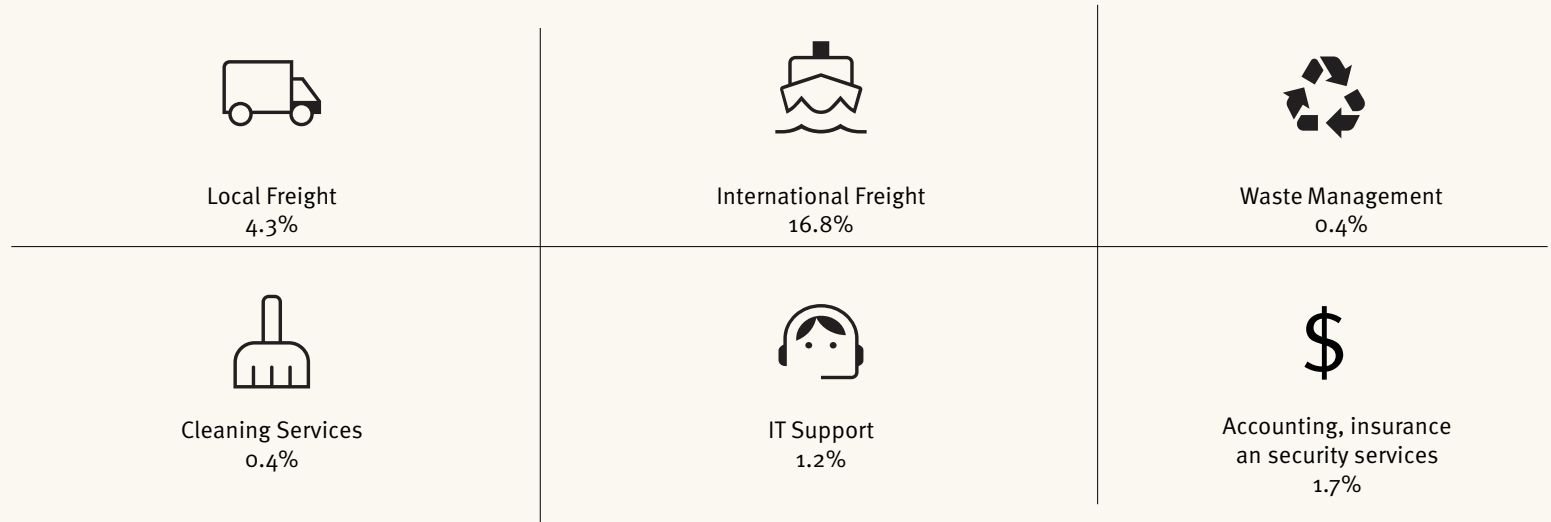
DISTRICT AT A GLANCE

Indirect suppliers represented 27% of Districts total expenditure in FY22-23. Indirect suppliers are defined as suppliers who provide a product or service that is not essential to our production process but rather, facilitates it.

To address modern slavery effectively requires deep visibility over the entire supply chain meaning our supplier, our supplier's supplier and that supplier's supplier and so forth; tier upon tier. ¹

The 2023 Global Slavery Index estimates that on any given day in 2021, there were 41,000 individuals living in modern slavery in Australia. This equates to a prevalence of 1.6 people in modern slavery for every thousand ². Australia is among the least vulnerable countries to modern slavery in the Asia Pacific region and globally.

FY2023 Supply Chain Statistics | Non-Trade | Indirect Suppliers



Our largest area of risk is international freight which represents 16.8% of our indirect supply chain.

The risk of modern slavery in the global shipping industry arises because of a variety of factors. Seafarers are often from nations with poor records or challenges in relation to human rights, labour rights and corruption. The relatively unique feature of flag states (and the issue of flags of convenience) also creates a fragmented system of regulatory oversight, and places limitations on effective enforcement of conditions on board vessels.

While guarantees to decent work conditions, accommodation, food and medical care, amongst other standards, have been in force since 2006

under the Maritime Labour Convention (MLC), the nature of the job means that workers face isolated working conditions and are often dependent on their employers for communication with the outside world. This makes seafarers particularly vulnerable to exploitation. ³

Seafaring is one of the world's most dangerous jobs. At any one time, there are around 1.9 million seafarers working in an environment with a high-risk of labour exploitation, including the risk of forced labour and other types of modern slavery. The modern slavery risks within shipping supply chains have been identified as isolation, restriction of movement, excessive overtime, abuse and poor working conditions, wage exploitation, and migrant worker status. ⁴

References

- <https://fairsupply.com.au>
- <https://www.walkfree.org/global-slavery-index/country-studies/australia/>
- <https://www.tlblaw.com.au/>
- Modern Slavery within Maritime Shipping Supply Chains published by the UNGCNA in December 2022

DISTRICT AT A GLANCE

Modern Slavery Governance

We manage modern slavery and broader human rights risks in our operations and supply chain through our Environmental, Social & Governance (ESG) Program, currently in development, as a United Nations Global Compact (UNGCNA) participant. District adheres to the Ten Principles of the UN Global Compact which provides a framework of values for the business to operate in ways that will meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption; ensuring safe working conditions, employees are treated with respect, and business operations are responsible and environmentally sustainable.

The role of our Environmental, Social & Governance (ESG) team is to review, monitor and provide continual due diligence on our operations and supply chain to identify, manage and resolve potential human rights issues including modern slavery.

The ESG team report directly to the Managing Director and Senior Management Team and provide periodic updates on program effectiveness and progress.

Policies

District conducts its business and engages with suppliers in a manner that complies with all applicable laws and operates under our ESG framework that includes the following policies:

- Vendor Code of Conduct
- Human Rights Policy
- Anti-Corruption & Bribery Policy

Methodology

District implement a blended approach to identifying modern slavery which includes onsite audits, self-assessments, international and domestic risk analysis to form part of our toolkit.

Our internal Environmental, Social & Governance (ESG) team work in collaboration with our core brands and suppliers to:

- Complete due diligence reviews to identify potential human rights and modern slavery risks within our supply chain.
- Prioritise our work where there is a higher likelihood of severe human rights impacts, including modern slavery, occurring.
- Look for opportunities where we have greater influence to drive change within our supply chains, such as expanding our manufacturing under licence program in Australia.
- Maintain safe and transparent workplace: Implementation of worker voice program via our company Whistleblower Policy provided as part of employee induction.

Due Diligence Process | District's Due Diligence process is broken in three parts;

| | |
|----------|--|
| 1 | Identification: Identify and asses actual and potential modern slavery risks. |
| 2 | Implementation: Implement actions to prevent or mitigate modern slavery risks. |
| 3 | Monitor: Continually track progress to assess impacts on slavery and human trafficking within our supply chain. |



Image Credit: Mass Productions

RISKS OF MODERN SLAVERY

Districts approach to the identification and management of modern slavery risk is aligned with our overarching ESG strategy and risk management system.

Ongoing assessment of our operations identified the following areas as being higher risk of inadvertently support, contributing to or being impact by modern slavery practices;

| |
|-------------------------|
| Supply and manufacture |
| Material extraction |
| International transport |

Potential risks within our supply chain may include:

- Forced / compulsory and bonded labour where all work should be voluntary and employees should be free to leave work at any time or terminate their employment, refer ILO 29, 105 and 182
- Child labour with failure to uphold employment of all workers at the correct minimum age convention, refer ILO 138
- Migrant workers with failure to uphold equal remuneration be provided for all workers, refer ILO 100
- Failure to uphold the right of freedom of association and protection of the right to organise, refer ILO 87
- Failure to uphold the right to organise and collective bargaining, refer ILO 98

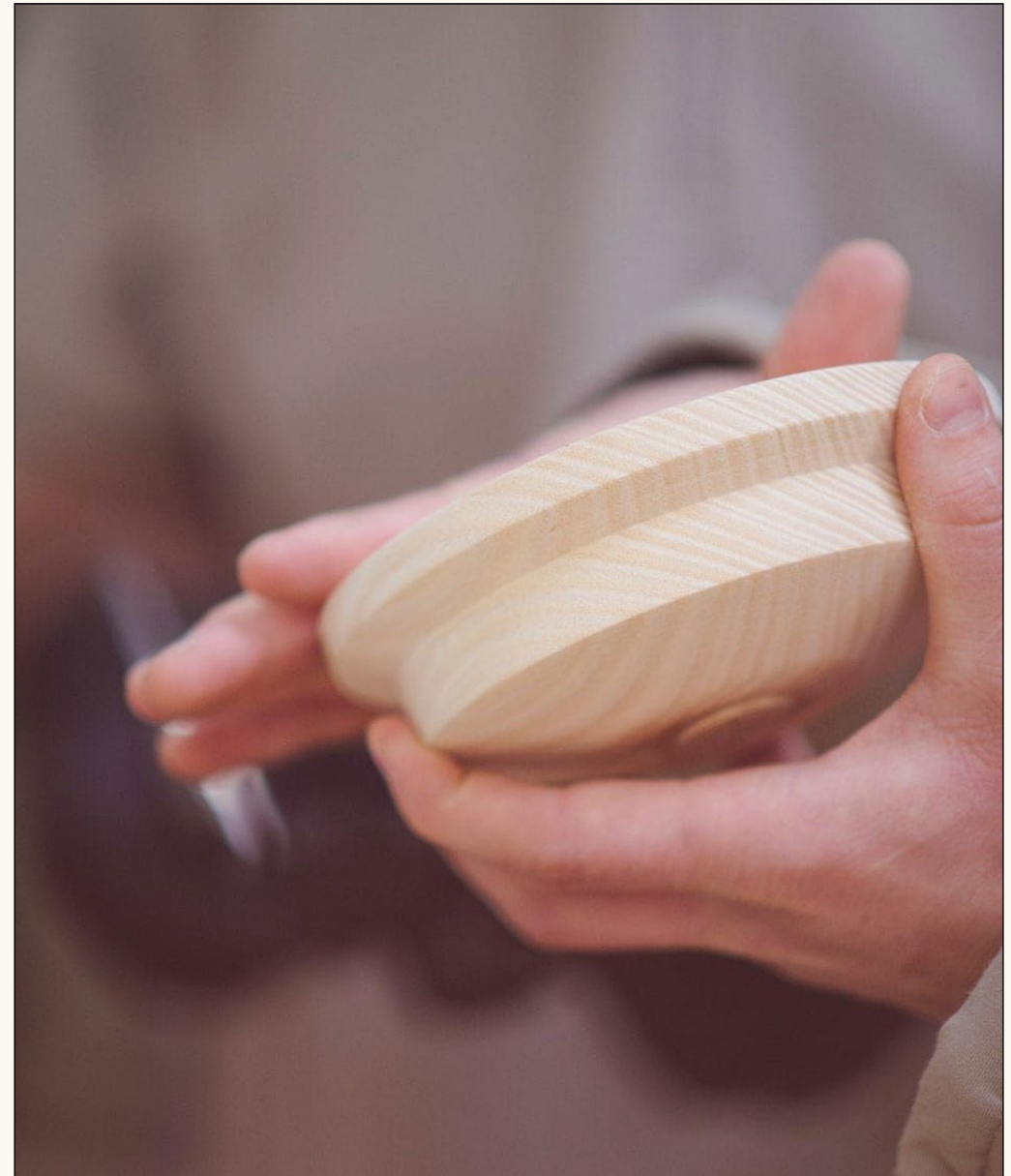


Image Credit: Mattiazzi 2023

| SUPPLY CHAIN | RISK REVIEW | RESOURCES INFORMING RISK ANALYSIS | RISK |
|--------------|--|---|--------------------|
| Geographic | <ul style="list-style-type: none"> • Manufacturing in China has poor governance / reporting • China presents risks related to document transparency and domestic migrant workers • Risks of debt bondage, forced labour, excessive work hours, under-payment of wages & entitlements • We acknowledge the risks may be greater in inherently higher risk jurisdictions, including mainland China where we indirectly support employment of workers through supply chain providers | <p>South 32 - 'Understanding the risks of Modern Slavery in Supply Chains' 2019</p> <p>Global Slavery Index</p> <p>Transparency International</p> | <p>HIGH</p> |
| Product | <p>Modern slavery risks are often found beyond tier one suppliers at different stages of production including raw material extraction</p> <ul style="list-style-type: none"> • Timber has been identified as a “high risk product” • Due diligence review of countries of origin for timber within our supply chain identified include: Poland, Italy, Denmark, Lithuania, Latvia all EU countries where FSC certificates have been provided and entities must comply with EUTR • 31.07% of our furniture products are produced using FSC certified timber • FSC Policy for Association states that licence holders must refrain from unacceptable forestry practices that include illegal logging and human rights violations | ITF Seafarers Inspectorate | <p>HIGH</p> |
| Services | <ul style="list-style-type: none"> • International shipping has been identified as a “high risk service” with the potential for poor labour practices and modern slavery where Australia is the fifth largest user of shipping worldwide. • Risks of debt bondage, forced labour, excessive work hours, under-payment of wages & entitlements, exploitation of vulnerable migrant workers | ITF Seafarers Inspectorate | <p>HIGH</p> |

| SUPPLY CHAIN | RISK REVIEW | RESOURCES INFORMING RISK ANALYSIS | RISK |
|----------------------|--|--|----------------------|
| Third Party Entities | <p>Third party agreements with lack of transparency on tier three and tier four suppliers i.e. local freight providers.</p> <ul style="list-style-type: none"> AFRA membership includes a yearly audit of members to ensure all their staff are paid according to industry rates | <p>The Modern Slavery Register Australian Furniture Removers Association</p> | <p>MEDIUM</p> |
| Geographic | <p>Manufacturing within the EU Australian New Zealand continues to be low risk.</p> <ul style="list-style-type: none"> Australia and New Zealand have maintained an overall low risk rating The European Union Directive on Corporate Sustainability Due Diligence that includes provisions for mandatory human rights and environmental due diligence The New Zealand Government's consultation on a potential Modern Slavery Act The Australian Government's forthcoming three-year review of the Modern Slavery Act | | <p>LOW</p> |
| Employment | <ul style="list-style-type: none"> We consider that the risk of modern slavery in our team is low due to direct employment. Strong policies, team member training, and accessible grievance mechanisms are used to mitigate the risk of modern slavery in our operations. We also recognise the importance of freedom of association and acknowledge the right of team members to negotiate collectively. | | <p>LOW</p> |

ACTION

In the past year, District conducted a risk assessment of our supply chain by taking into account:

- The risk profile of individual countries based on the Global Slavery Index
- The business services rendered by suppliers;
- The presence of vulnerable demographic groups; and
- A news analysis and the insights of labour and human rights groups.

Identification

District exercises the following mechanisms to identify modern slavery and human trafficking in our operations:

- CSS-DIS002 Vendor Code of Conduct explicitly references the protection of human rights and the prevention of child labour, human trafficking, and all forms of forced and compulsory labour to our suppliers and partners and includes how to report a concern. Districts Code of Conduct was updated to strengthen our approach to minimising modern slavery risk in our supply chain.
- All employees are issued with a formal Contract of Employment (HR-DIS004) managed by our HRIS platform, Employment Hero, to eliminate risks of forced or illegal labour.
- HR-DIS041 Employee Code of Conduct encourages employees to do the right thing by clearly stating the actions and behaviour expected of them when representing the business. We strive to maintain the highest standards of employee conduct and ethical behaviour when

- operating and managing our supply chain.
- HR-DIS048 Whistleblower Policy encourages all employees, to report any suspicion of slavery or human trafficking without fear of retaliation where the identity of whistle-blowers is protected.
- Education and Awareness: District “Sustainability & Impact School” is an internal monthly awareness program open to all employees to educate on our ESG strategies including modern slavery to learn about. We aim to increase our collective understanding of modern slavery, how employees can identify and respond if they suspect slavery of human trafficking may be occurring.
- District has provided e-learning to core managers through GECA and UNGCNA on modern slavery including the Operations Manager, Compliance Manager and Sustainability Strategist to ensure we can adequately identify, assess and manage our commitment to elimination of modern slavery in our supply chain.



Image Credit: Mattiazzi 2023

Due Diligence

District has a continuous improvement approach to identifying and managing risks, focusing on areas of highest risk. District conducts due diligence on all new suppliers during on-boarding and on existing suppliers at regular intervals. This includes;

| |
|------------------------------|
| 1 Supplier Assessments |
| 2 Code of Conduct |
| 3 Certifications/ Eco Labels |

1 Supplier Assessments

We conduct thorough risk assessments and audits (where required) with all direct brands and suppliers which aims to identify risk and drive progress and accountability. FRM-DIS069-3 Supplier Assessment and RC-DIS006 SAQ Register to assess risks in the provision of services which is a document audit of suppliers, and their health and safety standards, labour relations and employee contracts.

2 Code of Conduct

By signing FRM-DIS075 Supplier Code of Conduct and submitting to document and site audits as requested by District.

3 Certifications/ Eco labeling

GECA Licence (social compliance) external third party assessment site audit conducted by Bureau Veritas of suppliers, and their health and safety standards, labour relations and employee contracts in addition to the document

risk assessment to verify unsupported claims or check certain geographical locations.

The GECA product range included 15 products and one manufacture in 2016 compared to 95 products and six manufacturers in 2022. We require all suppliers to attest that:

- They do not use any form of forced, compulsory or slave labour;
- Their employees work voluntarily and are entitled to leave work;
- They provide each employee with an employment contract that contains a reasonable notice period for terminating their employment;
- They do not require employees to post a deposit/bond and don't withhold their salaries for any reasons; and
- They do not require employees to surrender their passports or work permits as a condition of employment

ACTION | GECA

District continues to work with externally audited programs to achieve our ESG goals. The GECA ecolabel, meaning Good Environmental Choice Australia, is an independent “tick” that demonstrates our certified products are better for the environment, have a lower impact on human health and have been ethically manufactured; following a stringent assessment procedure to robust standards, meaning GECA certification is thorough and trusted.

District has completed the Good Environmental Choice Australia Limited (GECA) Type 1 Ecolabel program in accordance to ISO14024 where a licence is granted to a product where it has been verified by an independent conformity assessment body that the product meets the performance criteria of a GECA standard including:

- Fitness for purpose
- Environmental performance
- Emissions
- Hazardous materials
- Packaging, end of life and product stewardship
- Social and legal compliance
- Fair pay
- Workplace safety
- Equal opportunity
- Lawful conduct
- Human and labour rights

Eco labeling is important for us to drive greater transparency and accountability within our supply chain.



ACTION | REMEDIATION

The following strategies are in place should District suspect or identify modern slavery;

- Advise the supplier that improvements to substandard employment practices are required and submission of documentation for audit verification
- Verification of improvements by external third party assessment site audit conducted by Bureau Veritas
- District shall act immediately against the suppliers that fail to improve their performance in line with our requirements by terminating all procurement and report them to relevant authorities.
- Our grievance mechanism is outlined in both CSS-DIS002 Vendor Code of Conduct (external) and HR-DIS048 Whistleblower Policy (internal)



EFFECTIVENESS AND PROGRESS

During this reporting period, our focus has been to develop a strategy to gain a clearer understanding of our modern slavery risks and how these may be present in our supply chain. At this early stage we are unable to adequately assess the effectiveness of the actions we have undertaken.

However, we have commenced and will continue to work on developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risk in our operations and supply chain which will include the ambition targets outlined.

We are proud to present Districts first modern slavery strategy and look forward to providing updates and documenting progress towards our goals annually.

| ACTION | CURRENT STATUS | AMBITION FOR 2024 |
|---|---|--|
| Percentage of product manufactured under an ecolabel program with evaluation criteria for modern slavery risk. | >40% | Increase by 10% |
| Shipping assessment: Develop a two-phase shipping audit program to ensure regular vessel checks are conducted. Phase 1: Identify the major carriers and conduct a due diligence assessment on their company policy, procedures and performance standards Phase 2: Review freight forwarder “Order Status Summary Report” quarterly, to check vessel names for ITF Inspection Case History | Program currently in development | Program implementation |
| Australian Manufacture targets: 1. Increase percentage of products which are manufactured in Australia. 2. Increase localised (state) manufacture to reduce reliance on freight. | Program currently in development | Program implementation. Conduct audit on local freight suppliers to identify potential risk. |
| Number of suppliers/ brands who have completed our Supplier Assessment Questionnaire (SAQ) with supporting documentation. | 10-15 entities | Increase completion rate by 50% |
| Manufacturers signed the FRMDiso75 Supplier Code of Conduct | 8 entities | Increase completion rate by 50% |
| Number of suppliers who have completed a third party assessment site audit. (Bureau Veritas) | 6 entities | Increase by 25% <u>or</u> redirect 25% work to accredited suppliers. |
| Map all indirect suppliers and implement modern slavery risk assessments on each. | Program currently in development | 25% indirect suppliers to be assessed |
| Review trends through our grievance mechanisms and industry peers. | Ongoing | Annual review to be completed. ESG team to review/ monitor and provide continual due diligence on our operations and supply chain to identify, manage and resolve potential human rights issues including modern slavery. |
| Education & Awareness/ knowledge sharing: focus on ensuring a better technical understanding of business responsibility on human rights. | All staff received internal information session. ESG team receive ongoing training. | All logistics staff to receive modern slavery training. |
| Annual management review meeting as part of ISO9001 compliance | FY22-23 Complete | Annual review FY23-24 |

Perth

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Opening Hours
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