

THE DEMPSEY GROUP

MODERN SLAVERY STATEMENT – JUNE 2020

1. REPORTING ENTITY:

The Dempsey Group

Registered Office: 255 Burwood Rd, Hawthorn, Vic, 3122, Australia.

2. STRUCTURE / OPERATIONS / SUPPLY CHAINS:

STRUCTURE:

The Dempsey Group is a privately owned company that owns and operates:

- Bed Bath N' Table retail stores (ABN: 66 005 216 866)

BED BATH N' TABLE

- Domestic Textiles Corporation wholesale company (ABN: 16 004 722 936)



- Approximate number of workers employed: 1,850

Bed Bath N' Table house brands include Morgan & Finch, M&F White Label and Cotton House:



MORGAN & FINCH

Bed Bath N' Table licensed brands include Sanderson, Morris & Co, Harlequin & Scion:



Sanderson

HARLEQUIN



scion

OPERATIONS:

The main business operation is Bed Bath N' Table retail stores which are located in the following countries:

- Australia 160 stores (approx.)
- New Zealand 16 stores
- Singapore 5 stores

All warehousing, store operations, purchasing, planning, visual merchandising, marketing and e-commerce activities are conducted in-house by TDG employees from the Melbourne head office.

Logistics – international shipping and domestic transportation are carried out by third parties.

SUPPLY CHAINS – BED BATH N’ TABLE:

Goods are designed in house and manufactured off shore from countries such as:

- China which represents 82% of total production in the following categories:
 - Bed Linen / Bedding / Blankets (all materials and components produced in China)
 - Towels & Bathmats
 - Throws
 - Sleepwear
 - Bathroom Accessories
 - Dinnerware
 - Seasonal Decorations

For textile goods - all of the yarns are spun & woven in China along with all fibres and fills.

For hard goods – all of the components are manufactured in China.

- India which represents 7.5% of total production in the following categories:
 - Towels & Bathmats
 - Cushions
 - Napery & Kitchen textiles

For textile goods - all of the yarns are spun & woven in India.

- Bangladesh which represents 7% of total production in the bed linen category
- Turkey 2% of total production in the towel category
- Portugal/Pakistan/ less than 1% each in textiles
- South East Asian countries less than 1% in hard goods

We have long term stable relationships with our key suppliers, some of which go back over 20 years, and many of which have been in place for approximately 10 – 15 years.

With our largest suppliers, we work directly with the owners & their employees of the factories where our goods are manufactured.

Finished goods are shipped via sea freight from the above mentioned countries, and delivered to our central DC, located in Melbourne, where distribution to our stores takes place.

IMPACTS OF COVID-19 ON MODERN SLAVERY RISKS:

The business understands that the Coronavirus has impacted factories and associated supply chains, due to mandated workforce reductions and production/financial impacts caused order cancellations. Bed Bath N Table has been able to maintain all existing supplier relationships, and honour all purchase orders placed over the last 12 months during the pandemic. Payments have been in compliance with agreed payment terms in order to keep our supplier relationships in line with pre-pandemic supplier relationships.

3. MODERN SLAVERY RISKS & ACTIONS BEING TAKEN TO ADDRESS THESE RISKS:

The Bed Bath N' Table business works with a large number of suppliers across a diverse category offer, and have identified that many suppliers may have a number of tiers within their supply chain, which can extend to farms where raw materials are grown.

This poses potential risk for modern slavery to exist within the supply chain where visibility and transparency is more difficult to trace at the lower tier levels.

By focusing on our largest categories - Bed Linen, Bedding and Towels, we are able to ensure our attention is focused on the suppliers who have the biggest impact within our supply chain.

To mitigate the risk of modern slavery within our key supplier relationships, and increase traceability within these supply chains, we aim to:

1. **Reduce the possibility of goods being outsourced** to unauthorised sub-contractors where the risk of Modern Slavery is increased by:
 - Working directly with suppliers who own their own factories.
 - Where possible, work with fully vertical operations who manufacture most (if not all) of the key textile components that make up finished goods in these categories.
2. **Increase our supply chain traceability** by:
 - Mapping most of our key supplier tier one and tier two supply chains.
 - Gain an understanding of where risks of Modern Slavery may exist within the lower level chains.
3. **Identify possible risks of Modern Slavery** by:
 - Procuring audit reports to ensure social compliance standards are being met.
 - Continue visiting supplier factories (now subject to lifting of travel band), to see first-hand operations and discuss initiatives in place to understand risks of modern slavery.
 - Working directly with our suppliers to address any identified non-compliance issues.
4. Working very closely with key suppliers to **ensure our finished goods are made with best business practices** in place which cover three main principles:
 - The finished goods do not contain harmful levels of substances.
 - The goods are made by manufacturers who use sustainable environmental practices.
 - The goods are made by manufacturers who meet strict social compliance standards which govern the health, safety & rights of their employees.

OEKO-TEX® is an international independent association founded in 1992 and has been working with manufacturers, retailers, brands & buyers within the textile industry to build a more sustainable model. The strict standards of certification & testing ensure the highest levels of consumer safety are met, and in turn, gives our customers the greatest confidence that these goods meet environmental and social responsibility expectations.

The MADE IN GREEN by OEKO-TEX® certification has been designed specifically for the textile industry. This certification ensures that the above criteria have been met in the manufacturing facility where these goods have been made.

Goods that meet these requirements are certified to carry the below traceable label:



Over the last 12 months in two of our largest textile categories:

- 3 out of our 4 largest bed linen suppliers have achieved this certification
- 80-90% of our towel production has been certified to these standards.

To date the business has completed the following steps to identify the risk of Modern Slavery in our supply chain:

ACTIONS TAKEN	AIM	OUTCOME
Undertaken a review using an external consultant, to highlight the risks of Modern Slavery in our end to end supply chain.	Identify where our business needs to focus to mitigate the risk of Modern Slavery within our supply chain.	Established and shared with all suppliers a Manufacturing Code of Conduct to ensure both suppliers and product procurement team are aware of the risks and actions required to mitigate these risks.
Conducted internal training on responsible sourcing expectations for all employees who work directly with suppliers.	Ensure product procurement team understand expectations for on-going discussions about Modern Slavery with suppliers.	<ul style="list-style-type: none"> * Set up Responsible Sourcing Policies which govern our entire supply chain. * Updated all Supplier Trading Terms which have been agreed to and signed off by all suppliers. * Implemented supply chain mapping of key suppliers to identify Tier Two suppliers.

Additional actions taken include:

- Ensuring all supplier acceptances of new Trading Terms, Manufacturing Code of Conduct & Policies.
- Mapping supply chains with major suppliers across key buying categories.
- Identifying the number of suppliers that have been tier mapped as proportionate to value of orders placed.
- Collating audit data and certification from these suppliers.
- Ensuring meetings held with existing suppliers include discussions around creating awareness of the potential risks of modern slavery in their supply chains.
- Ensuring discussions with suppliers identify that their understanding of the risk associated with modern slavery are in line with our agreed Manufacturing Codes of Conduct.

Future processes include:

- Implementing a supplier on-boarding process for new suppliers including supplier self-assessment workplace practice questionnaire.
- Develop an action plan to help improve response to identified risks.
- Implementing remediation processes to help resolve identified areas of risk.
- Quarterly reviews with key product procurement team to check on progress of supply chain mapping and audit reporting.
- Regular checking of risk assessment processes to ensure they are up to date.
- Annual Senior Management review.

5. ASSESSING EFFECTIVENESS OF ACTIONS TO ADDRESS MODERN SLAVERY RISKS:

The Covid-19 pandemic has impacted the ability to assess the risks associated with Modern Slavery within our key supply chain, as travel bans have prevented regular supplier factory visits and regular face to face meetings both in our office and at trade fairs. During the last 12 months these meetings have not taken place which would allow time to see first-hand operations, and inspect the initiatives our suppliers have implemented to reduce risks associated with Modern Slavery.

Moving forward, our assessment practices aim to include:

- Resumption of factory visits, on site meetings, face to face discussions as soon as travel bans are lifted.
- Continued work with more suppliers to achieve MADE IN GREEN by OEKO-TEX® certification to ensure social compliance standards are being met and maintained.
- Sharing good practice outcomes developed by factories with other suppliers to ensure compliance.

APPROVAL:

This statement covers the reporting period to 30th June 2020 and is approved by:



JONATHAN DEMPSEY

Managing Director

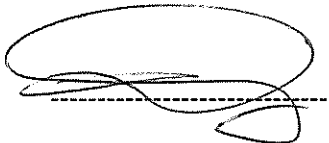
DATE 30/3/2020

THE DEMPSEY GROUP

18th May 2021

MODERN SLAVERY STATEMENT DATED 31st MARCH 2021

This statement was approved by Jonathan Dempsey as the Sole Director of The Dempsey Group Pty Ltd.

A handwritten signature in black ink, consisting of several loops and a horizontal line, positioned above a dashed horizontal line.

JONATHAN DEMPSEY
Sole Director
18th May 2021