



**Fantastic
Furniture**

Modern Slavery Statement 2023

October 2022 – September 2023

Overview

FF HoldCo Pty Ltd (the **Company**) has previously provided three modern slavery statements in connection with its then group company, Greenlit Brands Pty Limited. It is now providing this modern slavery statement on its own. This statement is prepared in accordance with section 14 of the Modern Slavery Act 2018 (Cth) for the year end 30 September 2023.



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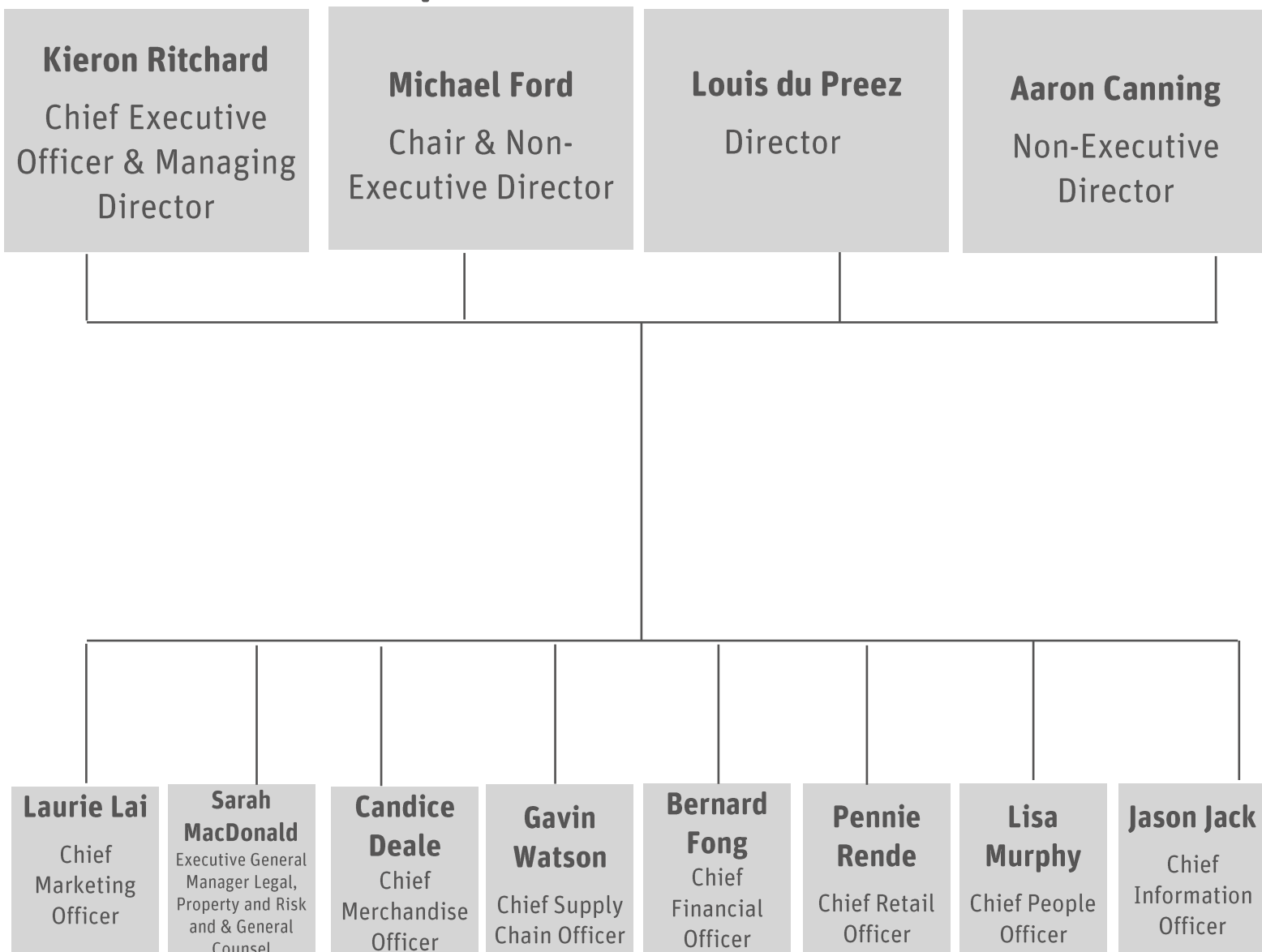
The Reporting Entity

Reporting Entity

FF HoldCo Pty Ltd (the **Company**) is an Australian company and the parent company of the following entities: Fantastic Furniture Pty Limited, FHL Distribution Centre Pty Limited, Fantastic Manufacturing Pty Limited and FF Brands Pty Ltd (collectively, the **Group**).

The Company has consulted with the Group in relation to this modern slavery statement. The Group operates under the leadership structure documented below.

Our Leadership Structure



Our Structure, Operations and Supply Chain

The Group was founded in 1989 and specialises in the retail and manufacture of Australia's best value furniture and bedding, selling a range of products within these categories including lounges, rugs, mattresses, bedding, tables, chairs and homewares.

The Group operates in:

- 88 retail locations
- 1 manufacturing facility
- 4 distribution centres

These premises are located throughout Australia. Our operations obtain a range of services from third parties, including cleaning services, waste services, property management, uniforms, transport and freight, information technology services and products, communications and marketing, financial and superannuation services, and website and cloud storage.



The Group has:

- 782 full time
- 349 part time
- 238 casual
- approximately 100 contractors
- 105 suppliers

The Group is led by a Chief Executive Officer with the following departments reporting directly: People and Safety, Supply Chain and Manufacturing, Legal, Property, Audit and Risk, Marketing and Digital, Information Technology, Finance, Retail Operations, Products and Planning and Customer Care. The Group outsources recruitment to an Australian company who utilise a delivery centre in India as one of that company's resourcing options. The Group also engages an Australian company to offshore labour services in the Philippines. The services provided in the Philippines are that of customer care services and IT services, including IT developers, IT business analysts and IT help desk support.

The Supply Chain includes both the procurement of furniture and bedding products and materials from international supply partners and imported to Australia through ocean freight shipping, as well as sourcing materials, some mattresses and occasional furniture from Australia. The Manufacturing team also source material from Australia and overseas and directly manufacture lounges in our Australian manufacturing facility.

The countries that the Group directly source and manufacture materials, products and services from include Australia, China, Malaysia, Vietnam, Indonesia, Estonia and Taiwan. Our tier two and three supplier countries include Australia, Belgium, China, Malaysia, India, Taiwan, Vietnam, Indonesia, Estonia and Turkey.

Risks of Modern Slavery in Our Operations and Supply Chain

Overview

The Group acknowledges that there are inherent risks of modern slavery within the industry it operates in, furniture and bedding, particularly from an international supply chain perspective. The Group has conducted an assessment of its modern slavery risk in both its local and international operations and supply chains. It understands modern slavery to be situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices of modern slavery include human trafficking, forced labour, debt bondage, deceptive recruiting, forced marriage, child labour and slavery-like practices such as servitude.

The Group's modern slavery risk assessment is considered in further detail below.

Supply Chain

As previously outlined in our Greenlit Brands Pty Ltd and FF HoldCo Pty Ltd joint modern slavery statements, the two main modern slavery risks remain as forced labour and child labour in textiles, foam, metals, timber, plastics and adhesives sectors, or associated sectors where the material is used in product manufacturing. There is also the risk of corruption across material-sector-countries that we source from, but we understand that modern slavery is not limited to these sectors, materials or countries, and can occur at any time and place.

We remain on the path of continual improvement. We see risk where there are gaps in our management systems and supplier management systems aimed at addressing human and labour rights.

Certain prior risks of modern slavery in suppliers' geographical areas have been improved upon through social audits this reporting period by the suppliers implementing:

- individual safety deposit boxes that are only accessible to workers, therefore minimising debt bondage risk; and
- contractual agreements rewritten in the local language employees could read and understand.

Operations

There is a lack of visibility in operational supply chains beyond tier one, including supplier contractors and sub-contractors.

An indicator of modern slavery includes workers who are more vulnerable which can lead to exploitation. Vulnerability can include workers who experience discrimination or marginalisation, those who work in substandard conditions, workers who live in countries that do not adopt international conventions, or who have not set up laws, unions, and policies to protect human and labour rights. Vulnerability of workers can mean they are exposed to deceptive recruiting and debt bondage, among other modern slavery risks. COVID-19 had increased worker vulnerability in our supply chains and impact all regions as well as impede us from visiting international factories. Those COVID-19 restrictions have eased up within the last reporting period, and the Group was able to conduct international factory visits. There were over 20 international factories visited during the reporting period, in the following countries: China, Vietnam and Malaysia. The Group observed no precarious modern slavery risks during those visits and accordingly the risk of modern slavery was considered low in those factories.

The Group engages an Australian company to source, screen and assess talent. They utilise team members in the Philippines for those activities. The hiring decisions on what workers are engaged through this process is made only by the Group, and interviews with the candidates occur directly with the Group after they are sourced by the third-party company. A third-party company then conducts background checks and provides the information to the Group in order for the Group to make a decision on the hire.



Picture: Chief Executive Officer and Managing Director, Kieron Ritchard, with workers in the Philippines office.

For those roles, full transparency of the remuneration for each worker is made to the Group, and the individual workers are considered extension members to our Group. A number of senior management staff members have visited the office in the Philippines and viewed the conditions for the workers. The visits and the interaction with the workers, have presented the Group with a status of low risk of modern slavery in the Philippines.

The Company has also assessed its local risks of modern slavery in the use of Australian third-party contractors for services provided directly to its stores, distribution centres or factory. Such services include delivery, cleaning, and repairs and maintenance services. The Group assesses the risk of modern slavery in these instances as lower than the risk with international supply of goods and services.

Actions to Assess and Address Modern Slavery Risks, Including Due Diligence and Remediation

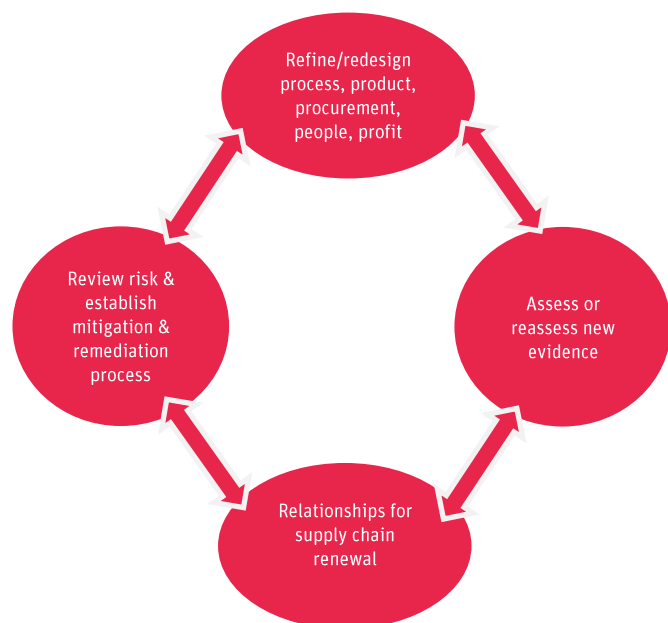
The Group has taken specific actions and priorities to minimise the risk of modern slavery. Specific actions addressed in this section include:

- Dedicated roles
- Training
- Internal management systems
- Supplier's management systems
- Supplier self-assessment questionnaires
- Social auditing
- Partnerships and initiatives

Our Process for Continual Improvement

As mentioned in our modern slavery statements under the Greenlit Brands Pty Limited group, we understand that if, or when, we find modern slavery occurring in our operations or supply chains we need to ensure it is handled delicately and in a manner that does not jeopardise anyone's safety. For severe cases, we understand our responsibility to contact local authorities.

Below is a flowchart showing how our process for continual improvement:



Whilst we understand that modern slavery is everyone's business across the Group, we are committed to ensuring the proper time and resources are allocated to roles that drive and implement our actions.

Last year we created a process within the Company to book supplier audits, review and outcomes and work with the factories on corrective and preventative actions (CAPAs). Our Quality Assurance team reviews the audits based on their minor

and major critical ratings to develop corrective actions and works with the products teams (buyers) to discuss any findings. Any escalation is reported to the Chief Supply Chain Officer and/or Chief Merchandise Officer and/or Chief Executive Officer.

We had no critically rated suppliers in the reporting period.

Training

Ensuring staff and suppliers are aware of what modern slavery is and how to respond in incidences of modern slavery is important to us.

The Group will conduct certain checks and ask suppliers certain questions around their supply chains and operations in 2024.

The Group looks forward to setting up its Modern Slavery Committee in 2024, after having completed informal governance and due diligence in the reporting period, on modern slavery. The Committee will also look to setting up formal executive training in 2024.

Internal Management Systems

The Group continues to utilise the following policies:

- SpeakUp! (Whistleblower Policy)
- Grievance Policy
- Anti-Bribery, Corruption and Fraud Policy

- Appropriate Workplace Behaviour Policy

The policies are addressed during orientation and all team members are required to complete mandatory training during induction (with annual and/or biannual refresher training) on their rights and obligations under the policies. The Speak Up Policy is available from our learning platform which each employee has access to, and quick reference posters are visible in our worksites.

Supplier's Management Systems

Understanding our suppliers' management systems is just as important as understanding our own as a measure to mitigate and remediate modern slavery in our supply chains.

As part of our social audit, there is a combination of document reviews, interviews, and observations that seek to understand the factory's knowledge of modern slavery including what current procedures and policies they have in place. The audit observations and checks also ensure that the factory follows those procedures/policies. Over the reporting period, the Group set expectations on its suppliers to develop the minimum approach to address any concerns identified in the audit. Where a supplier cannot satisfy our audit concerns in critical issues and fails to rectify

the issue within a reasonable period, we cease dealing with them. Where suppliers have had minor breaches, we address these prior to a provide an improvement plan and then re-audit.

The most significant area of modern slavery risk highlighted through our audits was linked to a lack of due diligence by first tier suppliers to undertake appropriate checks or, audits on their sub-contracted, component, or material suppliers. Our Quality Assurance team worked closely with its first-tier suppliers to help educate them about the importance of undertaking modern slavery due diligence, including establishing policies and processes within their frameworks. We endeavour to map out our second tier of the supply chain to gain a better understanding of the possible risks of modern slavery and to allow for future investigation and risk mitigation (through additional auditing, on-site inspections, or other documentation or verification checks).

Supplier Self-Assessment Questionnaires

Our Quality Assurance team developed a desktop audit for suppliers. The desktop audit helps to gain an understanding of their supplier's policies, processes, and procedures regarding modern slavery, labour rights, human rights, environmental compliance,

anti-corruption, and quality management prior to using them. If the supplier's results come back unfavourably, the Group will either not proceed with them, or may, in some instances seek an explanation, then if they pass on the second attempt, the Group will work with them through the next stage of audit.

Partnerships and Initiatives

We understand that to eradicate modern slavery and to ensure that effective support mechanisms for victims are in place, we need to make meaningful partnerships with external organisations, civil societies, and third-party initiatives.

During the reporting period, we conducted 56 audits, with 90% of all current factories scoring a mark of 'fully compliant' or 'compliant' with our audit. For all first-tier suppliers, we conduct audits on a 12 (+ / -) monthly basis to ensure transparency in those operations and corrective actions are implemented and agreed to.

The Group has close working relationships with its international suppliers, and as mentioned above, members of the Group have audited the factories in countries overseas, which has assisted in determining that employment conditions meet appropriate standards. The Covid-19 pandemic made these factory visits impossible, but they resumed during the last reporting period.

Assessing the Effectiveness of our Actions

The Group continues to recognise that modern slavery risk is ongoing. There has been no evidence of modern slavery across the Group or any of its operations and tier-one suppliers presented or identified in this reporting period.

We have continued to develop our audit function, including by conducting more audits this reporting period than the one before. We were also able to increase the factory visits and witness the working conditions in overseas factories, which allowed us to provide continuous improvement feedback to our supply partners. We plan to digitise our modern slavery processes in future, for traceability for the business.

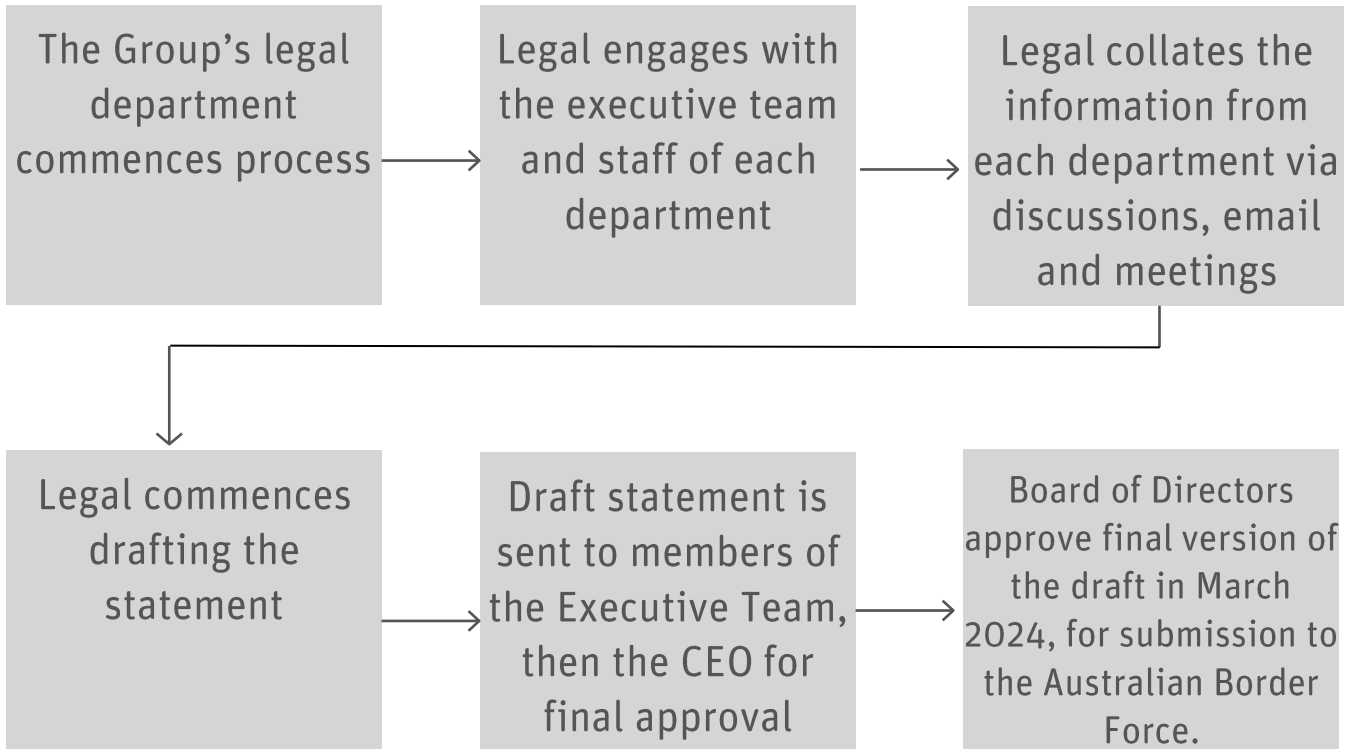
We look forward, and are committed to, within this year, establishing a committee which will (amongst other things) deal with modern slavery risks and issues within the brand and require executive training.

We further look forward to the implementation of a modern slavery policy within the business.



Process of Consultation

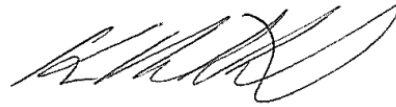
The process of consultation to develop our modern slavery statement for the 2022-2023 financial year is outlined in the diagram below:



This statement was approved in March 2024 by the board of directors of FF HoldCo Pty Ltd. This statement is signed below by Michael Robert Stransham Ford as both Chair and director of FF HoldCo Pty Ltd, and by Kieron William Ritchard as both Chief Executive Officer and director of FF HoldCo Pty Ltd.



Michael Robert Stransham Ford
Executive Chairperson &
Non-Executive Director
FF HoldCo Pty Ltd



Kieron William Ritchard
Chief Executive Officer &
Managing Director
FF HoldCo Pty Ltd