

VGW **MODERN SLAVERY** **STATEMENT** **2022**

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INTRODUCTION

This modern slavery statement (**Statement**) is the third statement developed in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth) (**Act**). It follows on from the second statement which was approved and published on the Australian Government's Online Register for Modern Slavery Statements on 21 December 2021. It outlines further action(s) taken by VGW Holdings Limited (ACN 147 193 511) (**VGW** or **we**) and its wholly owned and controlled entities (referred to collectively as **VGW Group**) to identify, assess and reduce the risk of modern slavery practices in its operations and supply chains during the year ending 30 June 2022.

The VGW Group is committed to identifying and eradicating any modern slavery practices in its operations and supply chains. This Statement, and future statements, will reflect VGW's continuous improvement in its approach to addressing modern slavery risks.

STRUCTURE AND OPERATIONS

VGW is an Australian public company which operates from and has its registered office in Perth, Western Australia. VGW has subsidiaries in Australia, the United States of America (**US**), Canada and Malta. As at 30 June 2022, VGW Group employed approximately 1044 employees.

The VGW Group is an online social games provider and its key operating activities comprise:

Direct employment of personnel:

The VGW Group employs personnel such as engineers, developers, designers, data analysts, mathematicians, marketing specialists, managers, compliance officers, human resources advisors, accountants and lawyers across its offices. The recruitment process of VGW Group personnel is predominantly conducted from VGW's office in Perth, Western Australia.

Provision and delivery of online services:

The VGW Group offers online social games services and promotions to customers located in certain territories in the US and Canada.

Research and development:

Personnel within the VGW Group engage in research and development to produce new offerings and games as well as improve on existing offerings.

SUPPLY CHAINS

As an online social games provider, the VGW Group's supply chains consist of the following key categories:

Consulting:

Consulting services supplied to the VGW Group include product development and brand and design consultancy services.

Customer Service:

Customer services supplied to the VGW Group include responding to customer queries, addressing complaints, troubleshooting issues and complying with anti-fraud and anti-money laundering requirements.

Finance and tax:

Financial and tax services supplied to the VGW Group include payroll, auditing and advisory services.

Legal:

Legal services supplied to the VGW Group include legal advisory services relating to employment law, intellectual property, marketing and promotions, and branding.

Marketing:

Marketing services supplied to the VGW Group include promotional and advertising services.

Payments:

Payments services supplied to the VGW Group include the processing of payments and other payment related services.

Technology:

The VGW Group procures software to support its operations as well as hardware such as laptops, monitors, computer accessories, conferencing equipment and printers/copiers.

In addition to the above key categories, services such as catering, cleaning, utilities, travel, and production of branded merchandise are also included in the VGW Group's supply chains.

RISKS OF MODERN SLAVERY PRACTICES

Direct Operations

Given the industry in which the VGW Group operates (online social games) and the location of its offices in low-risk jurisdictions (Australia, US, Canada and Malta), our assessment of the risk of modern slavery practices within the VGW Group's direct business operations is low. VGW Group entities are either directly responsible for their own recruitment of personnel and management of office facilities or obtain support for these functions from VGW.

The engagement of independent contractors in the Philippines to deliver customer support services and in Romania to work on product development was identified as a potential issue as these are higher risk jurisdictions based on information sourced via the Global Slavery Index.

The risk in respect of contractors in the Philippines is mitigated significantly because they are engaged by VGW Group entities rather than through a third party. VGW is therefore able to directly monitor the arrangements to ensure that its contractors received fair service fees and are not subject to modern slavery practices.

VGW Group contractors in Romania are engaged by an external third party based in Romania. There is no indication that Romanian contractors are subject to modern slavery practices. VGW has undertaken due diligence in relation to the third party provider by completion of a Modern Slavery Due Diligence Questionnaire to further assure itself that such practices do not exist.

Supply Chains

We are of the view that the VGW Group's supply chains are predominantly low risk, taking into account the industry in which it operates and the nature of the goods and services it procures. However, the potential for modern slavery to exist is recognised, particularly in the VGW Group's extended supply chains and higher risk categories or locations.

The following procurement categories have been identified as having a higher risk of modern slavery:

- Technology infrastructure and hardware
- Facilities service providers (e.g. cleaning and premises maintenance)
- Merchandise supply chains (e.g. production of branded clothing and other items)

ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

VGW's commitment to identifying and eradicating modern slavery in its operations and supply chains is reflected in the following initiatives that had been implemented across the VGW Group as at 30 June 2022:

Group-wide Policies

Modern Slavery Policy:

VGW Group's Modern Slavery Policy was adopted on 28 October 2021. The policy sets out VGW Group's approach to human rights, to fight against modern slavery. It also provides guidance to VGW Group personnel in identifying and reporting instances of modern slavery within the VGW Group.

Vendor Management Policy:

VGW Group's Vendor Management Policy was adopted on 12 May 2022. The policy describes the actions and behaviours required of VGW personnel to ensure that in engaging external vendors appropriate service levels are maintained, due care is taken to avoid risks which not within VGW Group's risk tolerance levels and VGW tracks and mitigates any identified residual risks.

Modern Slavery Due Diligence Questionnaire (Questionnaire)

The Questionnaire:

- was rolled out in November 2021; and
- aims to assist the VGW Group to identify and assess the risk of modern slavery practices occurring in its supply chains.

Modern Slavery clauses in contracts

- Modern slavery specific clauses (**MS Clauses**) to be included in contracts with suppliers (where possible) were rolled out in May 2022.
- The MS Clauses contains representations and obligations in relation to:
 - the supplier's commitment to preventing modern slavery practices and
 - co-operating with VGW by providing information required to assess modern slavery risks in their operations and supply chains.

Implementation of Contracts Management System

- VGW rolled out a contracts management system (**CMS**) in December 2021.
- The CMS complements the Questionnaire and together assists VGW to efficiently analyse and monitor modern slavery risks within the VGW Group's supply chains.

ASSESSMENT OF EFFECTIVENESS

VGW is in the process of putting in place a formal modern slavery framework that will enable it to more comprehensively assess and mitigate the risks of modern slavery in the VGW Group's operations and supply chains. We will continue to make further improvements to the VGW Group's processes and procedures, including those described in the **OTHER RELEVANT INFORMATION** section of this Statement.

As VGW's modern slavery framework becomes more sophisticated, we plan to develop a program of monitoring and auditing, including reviewing targeted suppliers. We aspire to continuously improve our approach to modern slavery risks.

CONSULTATION

Global policies and procedures, including those relating to modern slavery, are implemented across the entire VGW Group. As the entities within the VGW Group operate in the same industry and share common directors, they adhere to and observe common policies and processes, including those described in this Statement.

OTHER RELEVANT INFORMATION

As part of VGW's commitment to identify and eradicate modern slavery practices in its operations and supply chains, the following action(s) have commenced and will be reported in future modern slavery statements. These include:

Implementation of a new procurement system

- VGW is currently in the process of implementing a new procurement system which will streamline vendor/supplier onboarding processes.
- VGW plans to incorporate the Questionnaire into the new procurement system to capture any modern slavery related risks in potential vendors/suppliers at an early stage.

COVID-19 response

VGW acknowledges that COVID-19 may have an impact on modern slavery risks within VGW Group's supply chains. We will strive to ensure that any COVID-19 related modern slavery risks are identified and addressed accordingly.

APPROVAL

This Statement was approved by the board of directors of VGW Holdings Limited on 23 November 2022.



Laurence Escalante
Director
VGW Holdings Limited

23 November 2022