

AHE

Australian  
Homeware  
Enterprises

Modern Slavery  
Statement

FY  
25

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# Message from the managing director

At Australian Homeware Enterprises Group, we acknowledge that our extensive global supply chains come with a profound responsibility to protect the human rights of the people who make our products. Modern slavery is a violation of these rights, and we are committed to eradicating it through our focus on ethical sourcing and mitigating modern slavery risks in the Group's operations and supply chains.

We maintain the expectation that all parties in our supply chains operate with integrity and in compliance not only with local and international laws relating to human rights and labour practices, but also our core policies and practices as required in our ongoing supply arrangements.

We understand that the worst forms of modern slavery can be masked within such structures and consequently are moving towards external verification within our highest risk areas. Throughout FY25 we have focused on timber supply chains, utilising international third-party audit certifications and refusing to continue engagement with suppliers who cannot reach or maintain certification.

Through this unwavering approach we are proud to now purchase timber exclusively from suppliers verified as holding current Forest Stewardship Council or Programme for the Endorsement of Forest Certification, according to certification database verification and available audit reports.

As we move into FY26 we are seeking ways in which to achieve similar rigor and certainty in our non-timber supply chains.

We acknowledge that combatting modern slavery is a continuous journey which requires concrete supply chain transparency and ongoing improvements and refinement. This statement outlines the steps we have taken, the challenges we face, and our goals for the year ahead.



**David Jiang**  
Managing Director

# Our commitment

This Statement sets out the Australian Homeware Enterprises Group (“AHE Group”) commitment to prevent modern slavery in all business activities and within our supply chains.

It outlines the steps we have taken to ensure compliance with the Modern Slavery Act 2018 (Cth) (“MSA”).

This Joint Statement covers the activities of the reporting entities of AHE Group and each of its related entities, including Australian Homeware Enterprises Pty Ltd ACN 613 201 899 “AHE”, Australian Brushware Corporation Pty Ltd ACN 068 706 829 “ABC”, DIY Resolutions Pty Ltd ACN 103 688 679 “DIY”, and AHE Global Pty Ltd ACN 643 691 678 “AHE Global”, for the financial year commencing 1 July 2024 and ending 30 June 2025 (“FY25 Statement Period”).

AHE Group companies provide services including procurement, finance, legal and the like to other legal entities. The procurement and due diligence procedures of these legal entities have also been included in the scope of this Statement.

- DIY NZ Pty Ltd Company Number 8144808 (NZ) “DIY NZ”; and
- Hardware Lane Distributors Limited Company Number 10258026 (UK) “Hardware Lane”.

Each reporting entity has been consulted in relation to the preparation of this statement by the Executive Management Committee. AHE Group controls the related entities identified here.

The principal governing body for each reporting entity is the Managing Director of the Group, being the sole company director and secretary for each entity covered by the Statement.

This Statement is signed by the Managing Director of the Group, being the responsible member for all entities covered by the Statement.

# Our structure, operations and supply chain

Established in 2016, AHE Group is a diverse organisation supplying home improvement and storage products to retail trading partners across Australia. In Australia during the FY25 Statement Period, AHE Group operated a head office and warehouses across 6 locations Australia wide but principally distributes to Australian retailers.

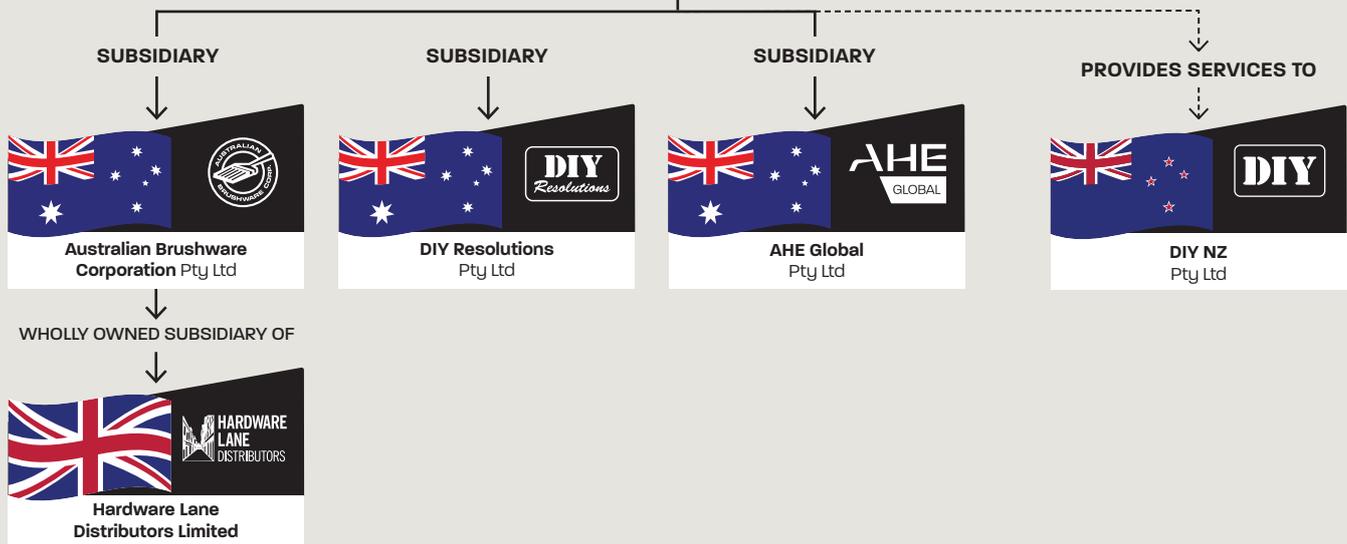
AHE Group also provides services to other legal entities which are not reporting entities. DIY NZ operates principally from one location in New Zealand and principally distributes to NZ Retailers.

Hardware Lane operates from one location in the United Kingdom and is centrally administered from the AHE Group head office in Craigieburn, Victoria and distributes to UK based retailers and their customers directly and via embedded online channels.

Our head office is located in Victoria, Australia. During the FY25 Statement Period, the AHE Group employed approximately 300 people across our business including contractors. Our main business function is to purchase and manufacture products and distribute them to retail customers.



## Executive Management Committee



For the purposes of this Statement, our key reporting group operating entities, operations and associated supply chains during the FY25 Statement Period were as follows:

## **Australian Homeware Enterprises Pty Ltd**

Proprietary Limited Company

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### **Australian Brushware Corporation Pty Ltd**

Wholesaler and distributor of painting products and accessories including: brushes, rollers, mini rollers, kits, protection, preparation, applicators, tools, trays, buckets, poles, frames, sealants, adhesives and fillers.

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### **DIY Resolutions Pty Ltd**

Supplier of custom flat pack kitchens and cabinetry, indoor furniture and homeware items.

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### **AHE Global Pty Ltd**

Is a company based in Australia that buys and on-sells furniture, flat pack kitchens and cabinetry, home décor, paint accessories and household products

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## Our Brands

The branded products that are included within the scope of this Statement are:



# Trade Supply Chain

Our trade supply chain consists of the following categories of products:

- Flatpack furniture for use in cabinetry for kitchens, offices, wardrobes, laundries and the like;
- Benchtops made from timber;
- Items utilised for decorative purposes and painting such as brushes, painting trays and associated items;
- Bamboo products, including containers, brushes, handles;
- Furniture; and
- Items made predominantly from plastic are used for storage

## Structure of Supply Chain Arrangements

AHE Group's procurement processes focus on developing long-term relationships with suppliers. A Supplier onboarding process is in place, including an agreement to follow the Modern Slavery Policy and contractual provisions requiring diligence on the part of the supplier in their supply chain.

In FY23, AHE Group completed a formal spend risk assessment, which contained a comprehensive analysis that evaluated latent risks across our supply chain, rather than simply documenting expenditure amounts.

This strategic assessment identified that timber products held the highest latent risk designation.

We are uniquely positioned to make meaningful changes within this domain, as two of our key partnered factories are owned by the extended family of AHE's Managing Director, which affords us a close working relationship and opportunities to more readily influence change and track supply chains.

To ensure transparency and integrity, we are working to implement independent third-party audits and oversight of these factories to manage any potential conflicts of interest arising from ownership links.

# Non-Trade Supply Chain

Our non-trade supply chain consists of service providers and contractors make up a significant portion of expenditure within Australia. The supply chain operates across a range of industries, including:

- import procurement & quality assurance;
- landed costs clearing;
- warehouse distribution;
- legal and professional fees;
- printing;
- software and computer consumables;
- repairs, maintenance and equipment;
- manufacturing and machinery;
- warehouse waste disposal
- electricity and gas;
- vehicles;
- agencies - casual wages;
- manufacturing expenses; and
- motor vehicle operating expenses.

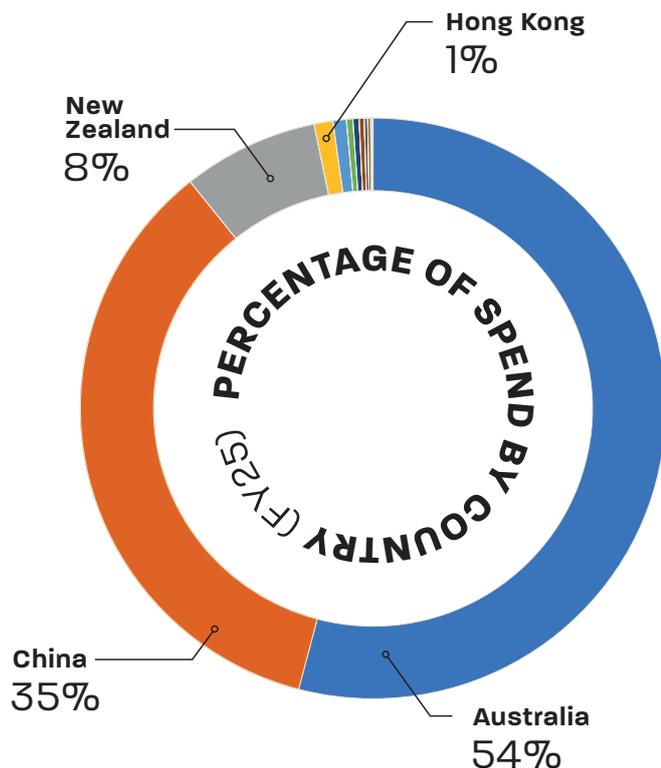
In this and the next Reporting Period, we have focused our efforts on our trade supply chains, which have high risk. Nonetheless, we recognise there is a proportional risk of non-supply chain issues within Australia, and we are working towards developing measures to reduce these risks.

## SUPPLY CHAIN MAPPING

More broadly, and outside of the timber supply chain, AHE Group has completed the supply chain mapping of its Tier 1 suppliers, which supply goods and services directly to the group.

The top three countries of origin for the Tier 1 supply chain are:

- China
- Australia; and
- New Zealand



# Governance For Modern Slavery

As a business, we continually review and improve our governance to proactively mitigate risk and enhance our organisational accountability. During the FY23 Statement Period, we contracted a sustainability consultancy to conduct in-country supply chain auditing and mapping as part of our Modern Slavery due diligence process. This supply chain mapping was utilised to build off and supplement the latent risk assessment undertaken in the previous reporting period. Organisational changes have occurred within the business since the date of this assessment; therefore, while it provides an indication, it is not a comprehensive risk assessment.

The previously determined Supplier latent risk scoring is modified by the certification status of the products they sell – for example if the Supplier sells products that are FSC or PEFC Certified, the risk profile of the Supplier is altered by virtue of the core ILO Conventions required to be adhered to under these schemes, which map closely to the definitions of Modern Slavery in the MSA. Every step in the supply chain must be audited by a third-party before a product can be sold as certified, providing a level of assurance.

Whilst certification offers an element of oversight and assurance not present in uncertified products and supply chains, it does not guarantee the complete absence of modern slavery risk in these supply chains. Instead, it assists in reprioritising supply chains of heightened concern, ensuring that focus is placed on mitigating the modern slavery risk in the highest risk areas.

The combination of:

1. The latent risk assessment; and
2. The impact of FSC and/or PEFC Certification on timber products' latent risk; and
3. The completed supply chain mapping of our two major factory suppliers' inputs

has informed our ratings of residual risk, which have been used in this reporting period to categorise our further mitigation actions.

For clarity, “latent risk” refers to the inherent level of exposure present before mitigation measures are applied (for example, country or sector risk). “Residual risk” refers to the remaining level of risk after mitigation actions, such as FSC/PEFC certification, supplier audits, or disengagement, have been implemented. This distinction allows us to track the effectiveness of our interventions over time. In evaluating progress, AHE Group compares the movement between latent and residual risk to measure improvement.

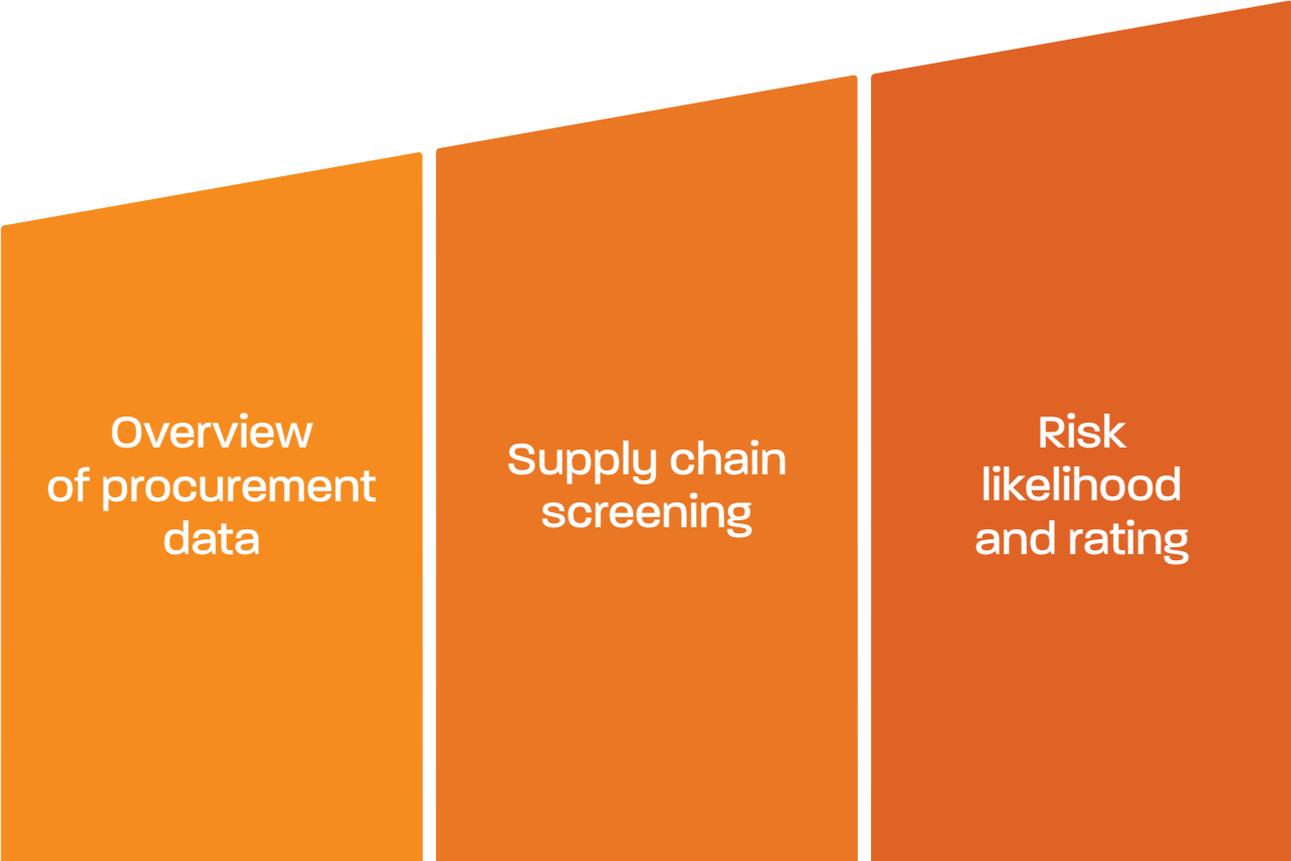
We have also implemented a “Modern Slavery and Ethical Sourcing Policy”, in which we commit to addressing modern slavery and ethical sourcing risks. This has now been rolled out across our Australian Suppliers. With this purpose, we incorporate terms in our supplier contracts requiring suppliers to comply with a set of requirements outlined as the Minimum Standards. We also encouraged suppliers to exceed these standards, and we promote ongoing improvement and best practices.

Furthermore, we have successfully implemented our new procurement policy, which requires that all timber-based products be sourced from FSC or PEFC certified suppliers, with all suppliers holding certification from fiscal year 2025 onwards.

# Potential Risks of Modern Slavery In Our Operations and Supply Chain

We understand that modern slavery is a risk that every business is exposed to due to extended global supply chains. It is this risk to the workers engaged in the supply chains that we seek to understand, minimise, and mitigate wherever possible.

In 2023, we reviewed the potential risks of modern slavery practices across our operations and supply chains by assessing our top 450 suppliers across 80 procurement categories. We took into consideration the risk that we are causing, contributing to, or are directly linked to modern slavery practices. We also took into consideration other risk factors such as the sector, industry, types of products and services and geographic locations.



Overview  
of procurement  
data

Supply chain  
screening

Risk  
likelihood  
and rating

# Operational Risks

AHE Group maintains recruitment and onboarding processes designed to comply with relevant legislation and continuously reviews them to strengthen internal labour-rights protections. We maintain a high level of diligence throughout our recruiting and onboarding process. Our recruitment process requires strict adherence to our Equal Opportunity and Anti-Discrimination policies. Our onboarding is managed by the hiring manager who utilises our “Onboarding Checklist” to ensure consistency throughout the onboarding and recruitment process.

We strive to promote from within as much as possible by following the recruitment process outlined above. When internal promotion isn't possible, we rely on a mix of consistently used external recruiting partners for more specialised roles. Beyond this scope, we also utilise online platforms such as Seek to recruit suitable candidates in areas such as Field Sales. Our warehouses employ a mix of full-time and casual staff. The casual staff are engaged through specialist agency providers. We maintain current versions of our Code of Conduct, Equal Opportunity, and Anti-discrimination policies with each of our external recruiting and labour hire partners.

While the risk in our directly controlled operations is low, we recognise that there is a risk of human rights issues in our operations due to the use of subcontractors for services, including the harvesting of timber, manufacturing of furniture and fabricated products, logistics outsourcing, and labour subcontracting. These issues may include underpayment, indentured workers and exploitation of migrants in contracted and subcontracted services such as transport and logistics.

We mitigate this risk for our operations by ensuring compliance with the recruitment process and policies, as well as through regular consultation with the organisation's partners, from executive management to approved external agencies.

# Supply Chain Risks

Based on a risk assessment of our top suppliers by procurement spend, we identified the potential risks of Modern Slavery in our Supply Chain as ranging from low, medium, to high and very high.

The modern slavery risks identified as being associated with the goods and services we buy include:

- forced labour: risks in the working conditions and debt bondage (threats, violence, working conditions/excessive unpaid overtime, restricted freedom of movement);
- child labour: risks related to working with pesticides during harvesting, and in the cutting and processing of wood;
- underpayment, indentured workers and exploitation of migrants in contracted and subcontracted services such as transport & logistics overseas;
- labour rights in business-related services and professional services that may be offshored; and
- labour rights and health & safety in overseas supply chains of timber harvesting, processing and manufacturing.

The results of the Modern Slavery Risk Assessment indicate that the highest-risk categories by spend are related to stock, specifically furniture/benchttop and Stock, Brush/Tool, and Stock Materials (Including Mining of raw materials and manufacture of metal products, as well as cultivation and manufacture of timber for timber products). Among other categories, high risk is driven by risk associated with the manufacture of container products, painting accessories, building materials for repair and maintenance and logistics and maritime shipping supply chains.

The table below shows the categories of risk associated with the very high-risk categories in the industry, as specific to AHE Group's supply chain:

Category	Key Risk Area
<b>Stock-Furniture/Benchtop, Stock-Furniture/Benchtop-Cut, Manufacturing, Warranty Claims</b>	Harvest of timber, manufacturing of furniture and fabricated products
<b>Stock- Brush/Tool Storage Stock/Materials Painting Accessories</b>	Harvest and manufacture of timber and plastic-based products.
<b>Import Procurement and QA</b>	Logistic outsourcing and labour subcontracting
<b>Fixed Asset- Building Repair and Maintenance- Building Manufacturing Expense - Repairs</b>	Extraction and manufacture of building materials
<b>Stock- Bamboo Product</b>	Growing, harvesting and manufacturing of materials.
<b>Repairs and Maintenance - Equipment</b>	Manufacture electrical machinery and equipment, metal products, copper and plastic materials
<b>Stock- Furniture Fixed Asset - Furniture</b>	Manufacture furniture, metal, textiles
<b>Fixed asset- computers</b>	Mining of raw material, material processing, and componentry manufacturer and assembly
<b>Consumables</b>	Manufacture of chemical, rubber and plastic products
<b>Fixed Asset - Signage</b>	Manufacture of fabricated metal, plastic and paint products
<b>Staff Meals</b>	Cultivation, processing and manufacture of food and beverage products, and hospitality labour services

In the FY23 Assessment, around 80% of AHE Group's overall spend and associated risk categories generated a very high latent risk rating resulting from the sourcing of timber and forestry materials, based on the latent risk assessment, and without any further information obtained. AHE Group has undertaken due diligence with existing and new suppliers to specifically identify risks associated with sourcing materials and/or products directly from overseas suppliers or local distributors sourcing products from overseas.

# Actions we have taken to assess and address modern slavery risks in our operations and supply chain

AHE Group takes its responsibility to understand and reduce the environmental and social impacts of its business operations and supply chain very seriously. Building on the commitments set out in our FY24 statement, we have focused in this Reporting Period on a consolidation and continuation of the works previously undertaken at AHE Group.

## Illegal Logging and FSC

AHE Group identifies its timber and forestry supply chain as the highest risk category in its supply chain, based on spend. The illegal logging industry remains a global contributor to violations of international human rights and one of the largest contributors to modern slavery. With timber at the heart of its supply chains, AHE Group understands the importance of due diligence on illegal logging as crucial to addressing modern slavery risks in its supply chain. AHE Group has taken steps since the legislation was introduced in Australia in 2012 to complete due diligence on illegal logging, with the overall aim of ensuring it has effective controls in place to minimise this risk.

AHE Group has further completely mapped the supply chains to the source of all composite materials in its two largest spend categories, sourced from its two closely aligned factories in China. It also clearly understands the FSC Certification Status of each actor in each supply chain. All suppliers in these supply chains hold FSC Certification. This means that the latent risk is mitigated by the requirements of those standards, which are subject to a third-party independent audit. In conjunction with this

mapping, AHE Group actively participated in the certification process for both factories to achieve certification.

AHE Group is in the process of ensuring that all suppliers are providing FSC Certified materials both within and to the reporting entities in this Statement and to the wider serviced group of companies that are not related entities in accordance with the Australian Accounting Standards, but for whom procurement oversight is provided.

## Non-Timber Supply Chains

AHE Group has, during the past reporting period, begun to assemble an action plan to fully review and mitigate supply chain risk in these remaining trade supply chains. The key items identified from this planning phase are to gain further supply chain visibility and review and consider frameworks that may be put in place to provide a greater degree of independent assurance over the supply chain's potential exposure to modern slavery practices.

In the Reporting period, AHE Group undertook a review process on technology and third-party-based solutions that may be employed to provide traceability and ongoing monitoring. AHE Group determined, through this review, that there are currently no suppliers able to provide it with the relevant supply chain visibility.

Accordingly, AHE Group has ceased investigations for such a solution and will instead refocus on its existing tools, which are being deployed with higher efficacy and consistency.

## Key Risk Prioritisation and Mitigation

In line with its FY24 commitment to review purchasing practices around high-risk categories and suppliers, AHE Group's implementation of its procurement policy and supplier agreements, including its mandatory requirement for certified supply and supply chain transition, has resulted in some mitigation actions.

AHE Group has identified:

- 1 supplier was not certified to FSC or PEFC and refused to engage with AHE Group and its procurement policy/requirements. In response, this supplier has been discontinued until such time as it agrees to meet AHE Group's procurement requirements and commence the process to become certified.

# Assessing the effectiveness of our actions

The Procurement and Legal teams meet monthly to discuss updates and progress on compliance, of which the updates and progress on the MSA framework are a key facet. These track progress on implementing our policies, incorporating human rights and modern slavery due diligence within AHE Group's procurement and supplier onboarding processes.

As a part of developing our ongoing monitoring and evaluation framework, we are tracking the following metrics:

- Percentage of supply chains mapped:  
It is noted that AHE Group does not have the goal of mapping every single supply chain, as this is not a practical goal nor is it meaningful when considering frequently shifting supply chains. However, this is used to understand how mitigation may be applied to the latent risks identified in both suppliers and products. It is also a measure of supply chain transparency.
- Percentage of certified suppliers
- Percentage of certified products
- Percentage of staff trained on the MSA
- Risk mitigation progress: Percentage of high-risk suppliers that have implemented corrective actions.

Our monitoring and evaluation framework will be modified and improved over the next reporting period to better track and account for non-timber supply chains, considering these are lower spend in our business and so have not previously ranked highly in our prioritisation of action.

We will conduct an annual evaluation of the actions undertaken in risk mitigation to assess their effectiveness. Based on the learnings, we will incorporate these into the following year's actions, ensuring continuous improvement and a demonstrated impact.

In evaluating this reporting period within this framework, we have found as at the end of the Reporting Period:

- 100% of timber suppliers were now certified, up from 87% in the last Reporting Period
- 80% of our suppliers could sell products we purchase as certified products
- All relevant staff have been trained with FSC's core labour requirements,
- and in the next Reporting period, we are planning to expand to a deeper modern slavery focus
- Mitigation progress: 1 supplier was discontinued due to its inability to satisfy AHE Group's supplier onboarding and procurement policy requirements.

Progress against these metrics is reviewed quarterly by the Procurement and Legal teams and reported biannually to the Executive Management Committee. As shown in the above progress, AHE Group continues to improve on its modern slavery risk assessment and mitigation measures implemented within its supply chains.

# Our FY26 Commitments

Over the next year, our key focus areas will be:

- **An updated review of latent supply chain risk:** AHE Group has elected not to complete annual updates on latent risk assessments as it understands that databases and information available are not all uniformly updated annually. Instead latent risk is planned to be re-assessed every second year.
- **Risk prioritisation:** consider how purchasing category and supplier criteria and prioritisation may be developed and implemented to focus due diligence and risk mitigation efforts in greatest areas of risk and impact. This is to further our efforts in non-timber supply chains.
- **Implement new training modules:** on the MSA and AHE Group's processes and policies in relation to this framework.
- **Expansion of our whistleblower policy:** building on our existing Whistleblower Policy, which already extends protections to workers in our supply chain, our focus for FY26 is to enhance our grievance and remediation framework. We will work with our Tier 1 suppliers to improve awareness and accessibility of this reporting channel, addressing potential language and cultural barriers. Concurrently, we plan to develop a formal remediation protocol to ensure a consistent and effective response to any harms identified through this or other due diligence processes.
- **Risk management:** developing a due diligence and supplier engagement program. We will also begin exploring the opportunities and internal capabilities for undertaking audits in non-timber supply chains.

Noting the prevalence of modern slavery risk in the timber and forestry industry, AHE Group will also maintain a focus on continuing its efforts to mitigate risk in timber-related products. The following commitments remain ongoing from our previous statement, including:

- Maintaining its policy, which requires all timber suppliers to obtain FSC or PEFC Chain of Custody Certification for timber and forestry products, which provides independent verified assurance that certified forest-based material originates from sustainably managed forests; and
- For supply chains that remain high or very high risk and to which FSC or PEFC Chain of Custody Certification does not apply, implement a responsible sourcing policy and enhanced due diligence approach that requires suppliers to achieve certification when possible and share full site risk information.

AHE Group acknowledges that its Responsible Sourcing Framework is still being implemented and thanks its suppliers for engaging with us to assess and address the risk of modern slavery in our supply chain.

# Process of Consultation and Approval

To prepare this joint statement, we engaged with each of the reporting entities covered by this statement and consulted with the entities we own or control through the Executive Management Committee.

This statement was resolved as approved by the Director of the Australian Homeware Enterprises Pty Ltd on 30th December 2025.

A handwritten signature in white ink, appearing to read 'David Jiang', is positioned above the name and title of the signatory.

**Mr David Jiang**  
Managing Director

# Appendix A

The following table summarises how this statement meets the reporting obligations under the Commonwealth Modern Slavery Act 2018 (Cth) ("MSA").

MSA reporting requirement	Addressed in Section	Section Starting Page
Identify the reporting entity	<b>Section 2:</b> Our Structure, Operations and Supply Chains	5
Describe the reporting entity's structure, operations and supply chains	<b>Section 2:</b> Our Structure, Operations and Supply Chains	5
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	<b>Section 3:</b> Potential Risks of Modern Slavery in our Operations and Supply Chain	10
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	<b>Section 4:</b> Actions We Have Taken to Assess and Address Modern Slavery Risks in Our Operations and Supply Chain	14
Describe how the reporting entity assesses the effectiveness of such actions.	<b>Section 5:</b> Assessing the Effectiveness of our Actions	16
Describe the process of consultation with (i) any entities the reporting entity owns or controls; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement	<b>Section 6:</b> Process of Consultation and Approval	18