

nickskali
L I M I T E D



Modern Slavery Statement 2025

Modern Slavery Statement

Year Ended 30 June 2025

Overview

Nick Scali Limited (the “Company”) recognises that modern slavery is a complex issue which directly impacts over 40 million people around the world, including the countries in which the Company operates or has suppliers.

The Company does not tolerate any form of modern slavery anywhere in its business and is committed to processes and action to identify and address risk of modern slavery within its business operations and associated supply chain.

This statement, which outlines the business operations of the Company, the potential risks of modern slavery within the business and the steps taken by the Company to address the identified risks, is prepared in accordance with the reporting requirements of the Modern Slavery Act 2018 (Cth) for the year ended 30 June 2025.

Reporting entity

Nick Scali Limited (ABN 82 000 403 896) is the parent company of Plush-Think Sofas Pty Limited (ABN 55 080 012 595). References to the “Company” in this statement include both Nick Scali Limited and Plush-Think Sofas Pty Limited.

The Company consulted with the relevant entities that it owns or controls in the preparation of this statement. The relevant entities operate under common Management and Board control. Procurement processes are performed through a centralised function for Nick Scali Limited and Plush-Think Sofas Pty Limited. Uniform standards and compliance protocols apply for Nick Scali Limited and Plush-Think Sofas Pty Limited.

For completeness, Nick Scali Limited is also the parent company of a wholly owned international subsidiary Nick Scali (New Zealand) Limited and on 8 May 2024 acquired a wholly owned international subsidiary, Anglia Home Furnishings Limited in the United Kingdom.

Business structure and operations

Founded in 1962, Nick Scali Limited is a public company listed on the ASX and operates retail operations in Australia, New Zealand and the United Kingdom under the Nick Scali, Plush-Think Sofas, and Fabb brands. The Company specialises in selling custom-made lounges and other items of furniture which it imports directly from some of the world’s largest furniture manufacturers. Within Australia, New Zealand and the UK, the Company operates in over 130 retail showrooms, a head office and 8 distribution centres, employing over 940 people across a wide range of roles.

The Company’s supply chains include the procurement of finished home furnishings, principally lounges, which are manufactured overseas and imported via international container carriers.

The Company maintains strong relationships with a small selection of well-established furniture manufacturers in Asia and imports products from Vietnam, China, Malaysia and India.

The Company uses third party suppliers in Australia for the provision goods and services not for resale including provision of premises (rent and related occupancy costs), media and advertising, IT services and communications. The Company also obtains outsourced labour services not for resale in the Philippines. These services include call centre, sales order processing, dispatch and back-office accounting functions.

The Company uses third party contractors in Australia to deliver, install and service home furnishings.

Risks of modern slavery

The Company acknowledges that there are inherent risks of modern slavery within international supply chains and has performed risk assessments to identify other aspects of the business and its supply chains that are at risk from modern slavery. For these purposes modern slavery refers to enslavement of vulnerable people whose freedom is impacted by exploitation including threats, violence and coercion, abuse of power or deception. Practices that constitute modern slavery can include: human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and child labour.

In assessing risk of modern slavery in the Company's supply chain the Company:

1. Identifies suppliers of goods and services to the Company.
2. Considers the country where the supplier operates, the industry and sector in which the suppliers operate, the product or service the supplier provides and the information the Company has specific to each supplier.

The Company determined that the international supply chain and the Company's engagement of manufacturers in Asia represented the greatest risk of modern slavery. In assessing the risk in the category of international manufacturing suppliers the Company considered:

- a) the relatively small number of suppliers engaged by the Company,
- b) the specific country of operation risk reported in the Walk Free Global Slavery Index;

The information the Company has specific to each supplier in this category is considered in determining the risk rating for each overseas supplier, specifically:

- c) the diligence applied in selecting and onboarding new suppliers and knowledge obtained of the supplier;
- d) the engagement of established and respected manufacturers;
- e) the close working relationships that the Company maintains with its manufacturing suppliers, including site visits by the Company's executives and the Executive Chair: and
- f) whether the supplier participates in ethical audits

The overseas outsourced back-office functions in the Philippines are obtained via an Australian business who source, screen, and test talent for the Company's role specifications. Actual hiring decisions and management of individuals work and performance, is performed by the Company. Full transparency is provided to the Company of remuneration for each member of the outsourced team. Company senior management regularly visit the work location and the outsourced teams act as extensions of the Australia based teams under Australian management. Due to these supplier specific factors the Company has assessed risk of modern slavery in the supplier of overseas outsourced services as low.

The Company has assessed and identified the risk of modern slavery in the use of Australian third-party contractors for services such as delivery, cleaning, and repairs and maintenance in its showrooms and distribution centres. These risks are assessed as significantly lower than the risk in the international supply of manufactured goods.

The Company is not aware of any instances of modern slavery anywhere within its business; however, it recognises the importance of continuously assessing the effectiveness of its actions to identify and address risk of modern slavery in its business or its supply chains.

The Company has minimum KPI's relating to:

- Percentage of international manufacturing suppliers to complete and provide to the Company self- assessment and declarations

- Percentage of international manufacturing suppliers where Nick Scali representatives conducted a site visit in the preceding 12 months
- Percentage of international manufacturing suppliers who have provided a third party audit report relevant to the risks of modern slavery
- Percentage of local suppliers assessed at above low residual risk who complete and provide to the Company self- assessment and declarations
- Completion of on-line training on the risks of modern slavery and the Company's Modern Slavery Policy by all employees who participate in the Company's supply chain

Any reports of suspicions of breaches of the Company's Modern Slavery Policy should they arise, including those made under the Company's Whistleblower Policy, are reported to the Audit and Risk Committee of the Board.

Actions taken to manage risks of modern slavery

Throughout the year, the Company has maintained the following measures to mitigate the risk of modern slavery.

Modern Slavery Policy

The Company maintained a policy on modern slavery that applies to all directors, officers and employees. The policy requires that any suspected instances of modern slavery be reported under the Company's Whistleblower Policy.

Copies of both the Modern Slavery Policy and the Whistleblower Policy are available at <http://www.nickscali.com.au/corporate-governance>.

International Supplier Engagement

The Company has close working relationships with its international manufacturing suppliers, and these relationships have enabled the Company to establish a satisfactory level of confidence in the business practices of its international suppliers. Senior management of Nick Scali Limited, including the Executive Chair, conduct site visits to key international manufacturing suppliers which assist in determining that employment conditions meet appropriate standards.

International Supplier Self-Assessment

The Company operates a supplier self-assessment questionnaire and declaration on-boarding process.

The declaration process requires international suppliers to attest to their compliance with Australian and international modern slavery laws, as well as all relevant local legislation, and to identify the names and locations of all vendors who supply parts and materials that are used in products sold to the Company. The declaration also acknowledges the Company's zero tolerance for modern slavery and confirming that they are not aware of any instances, or suspected instances, of modern slavery within their business or its supply chain.

The self-assessment questionnaire provides the Company with information from the international supplier that is specific to assessing the risk of modern slavery.

Local Supplier Risk Assessment

The Company assesses the risk of modern slavery within local suppliers considering factors including the nature of services provided, size of organisation and closeness of the working relationship between the Company and the supplier. Local suppliers of cleaning services were identified as inherently higher risk. This risk is mitigated as the internal modern slavery awareness training and policy provided to the Company's managers as the cleaning during the year was generally completed within business hours when Company managers are present.

Remaining local suppliers were assessed as low risk based on specific factors considered.

Management Training Framework

The Company maintains a training programme which raises the awareness of the potential risks of modern slavery within the Company. The training leverages the Company's Modern Slavery Policy and emphasises that compliance with the Policy is a requirement of all employees. New employees with participation in the supply chain complete the training and all new employees are provided with access to Company policies, including the Modern Slavery policy.

Third-party ethical sourcing audit

The Company has considered the use of third-party ethical sourcing audits to obtain greater assurance on the risk of modern slavery practices by its international suppliers. The Company determined that direct engagement with suppliers, including site visits by Nick Scali executives is highly relevant when considering the additional assurance achieved with a third-party ethical audit. The Company's international suppliers supply furniture to many large furniture retailers globally.

A significant number of international suppliers were able to provide third-party ethical audit reports which provided assurance on the risk of modern slavery practices. By value of purchases, more than 85% of international suppliers provided a recent third-party ethical sourcing audit report relevant to the risk or modern slavery and/or a site visit was performed by Nick Scali representatives in the last 12 months.

Future commitment

The Company is committed to continuously improving its approach to managing the risks of modern slavery, through regular risk assessments and the continuous improvement of its risk management programs.

In the next financial year, the Company is committed to maintaining the measures currently in place to address the risks of modern slavery, and intends to undertake the following :

- a) review its Modern Slavery Policy in line with the Company's policy of reviewing all policies on a regular basis.
- b) continuously review the KPIs to monitor the effectiveness of the actions taken by the Company to address the risk of modern slavery.
- c) continue to review suppliers assessed in lower risk categories and if determined effective for the reduction of modern slavery risk, expand the Company's Supplier Self-Assessment program.
- d) complete on-line training on the risks of modern slavery and the Company's Modern Slavery Policy by all employees who participate in the Company's supply chain.

This statement has been approved by the Board of Directors of Nick Scali Limited



Anthony Scali
Executive Chairman
19 December 2025