

2024 Modern Slavery STATEMENT

AF Asia-Pacific Holding Proprietary Limited



Chief Executive Officer's message



At AFAP, we are committed to ensuring our business practices uphold the highest standards of integrity and respect for human rights. Our ethical sourcing program continues to mature, guided by our commitment to responsible sourcing. We regularly review our procurement practices to ensure they align with our values and support our journey towards a more transparent supply chain.

As part of this commitment, we are progressively enhancing our due diligence processes, including requiring our product suppliers to complete third-party social compliance audits. These audits enable us to verify that fair wages, safe working conditions, and appropriate labour practices are maintained throughout our supply chain. We know that modern slavery is a complex and pervasive issue requiring a collaborative approach. We are steadfast in working closely with our valued suppliers and industry peers to address the challenges of safeguarding human rights.

We recognise there is much work ahead. We are committed to continuing our efforts, monitoring our practices, promoting transparency, and building team knowledge to address risks. This involves continually strengthening our policies, procedures, and due diligence processes to identify and address any potential issues relating to modern slavery. We understand that this is a continuous journey, and as the landscape shifts, we will evolve our approach. Tackling the challenges of human rights violations and modern slavery demands collaboration across industries, sectors, and borders. We are committed to being part of this collective effort to drive meaningful change for people, communities, and the environment, both in Australia and globally.

This Statement has been approved by the Board of AFAP on 20 December 2024, underscoring our ongoing commitment to ethical practices, human rights, and transparency as we continue to take meaningful steps forward in this journey.



Mark Batson
CEO, Fackelmann Housewares Pty Ltd
Board Member, AFAP

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INTRODUCTION

This Modern Slavery Statement (**Statement**) has been prepared on behalf of AF Asia-Pacific Holding Pty Limited (**AFAP** or the **Parent Entity**) and the entities it controlled (the **Group**) for the financial year ended 30 June 2024. For the purpose of this Statement, references to 'we', 'us' or 'our' refer to the Group.

This Statement has been prepared in accordance with the Australian Modern Slavery Act 2018 (**Act**) and with regard to the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities (**Guidance**).

It outlines the Group's strategy for managing modern slavery risks in the Group's operations and supply chain.

We recognise that modern slavery is a growing global issue that affects all sectors of society. As defined in the Guidance, modern slavery refers to the serious exploitation of people in situations where coercion, threats, or deception are used to exploit victims and deprive them of their freedom. We acknowledge our responsibility to respect human rights in both our operations and supply chain. This responsibility includes taking proactive measures to prevent, mitigate, and, where appropriate, remedy modern slavery within our operations and supply chain.

OUR STRUCTURE, OPERATIONS & SUPPLY CHAIN

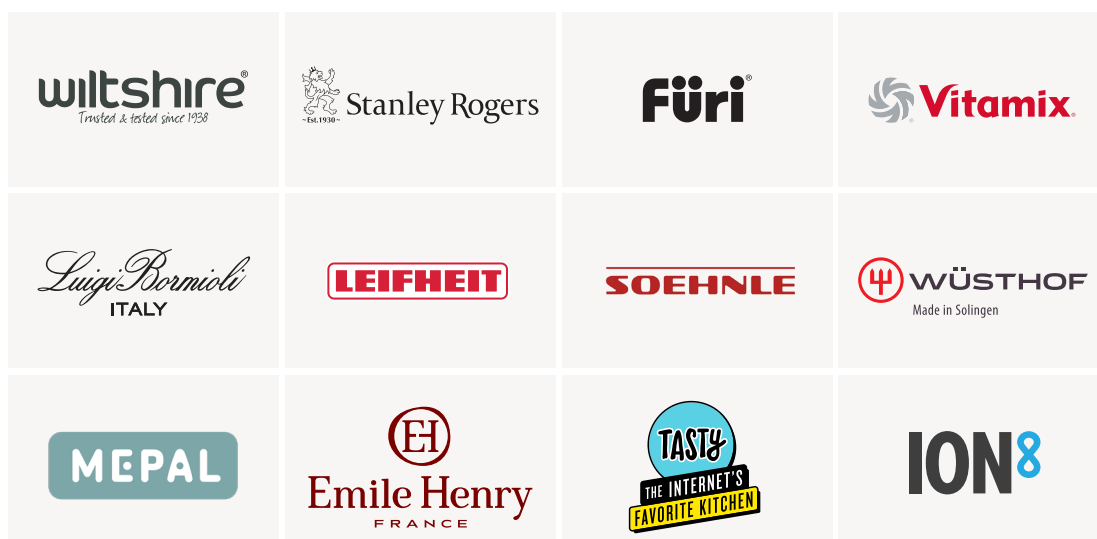
STRUCTURE

AFAP is a proprietary company incorporated in Australia.

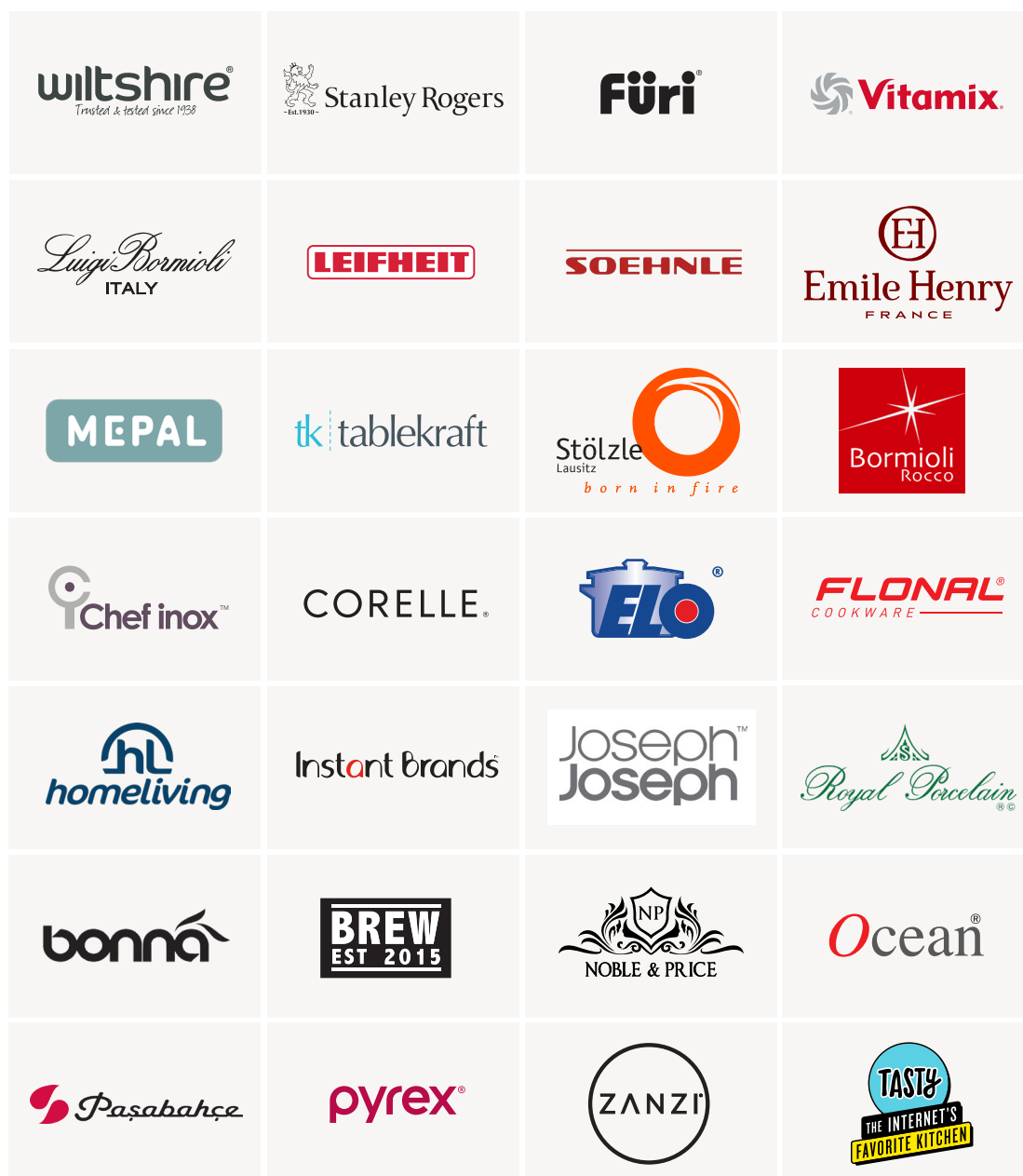
For the purposes of this Statement, our key operating entities during the Statement period are described in the table below.

Entity	Place of business / country of incorporation	Principal activities
Fackelmann Housewares Pty Ltd	Australia	Marketing and distribution of housewares products
Fackelmann New Zealand Ltd	New Zealand	Marketing and distribution of housewares products
Fackelmann Housewares Singapore Pte Ltd	Singapore	Marketing and distribution of housewares products
MCP Housewares HK Limited	Hong Kong	Product sourcing
Tomkin Australia Pty Ltd	Australia	Marketing and distribution of housewares products; product sourcing
Smart Brands Pty Ltd	Australia	Marketing and distribution of housewares products

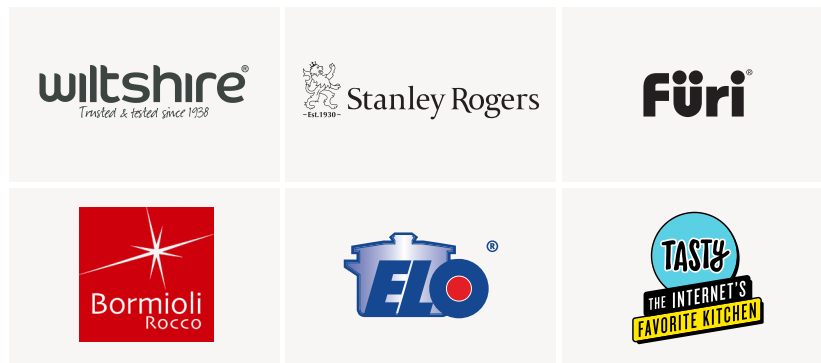
The majority of Fackelmann Housewares Pty Ltd's revenue is derived from the company's diversified portfolio of market-leading brands, including:



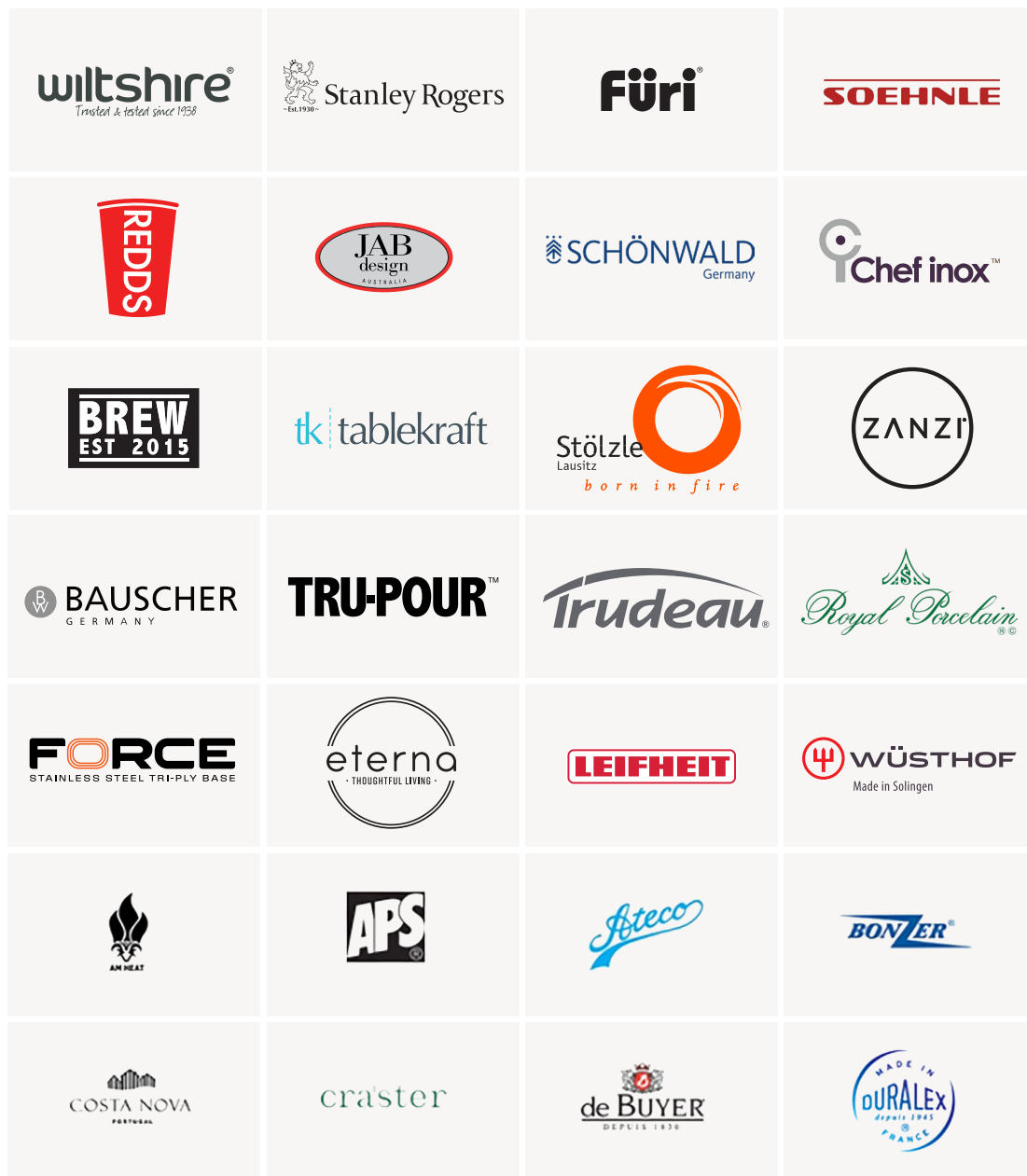
The majority of Fackelmann New Zealand Ltd's revenue is derived from the company's diversified portfolio of market-leading brands, including:







The majority of Fackelmann Housewares Singapore Pte Ltd's revenue is derived from the company's diversified portfolio of market-leading brands, including:

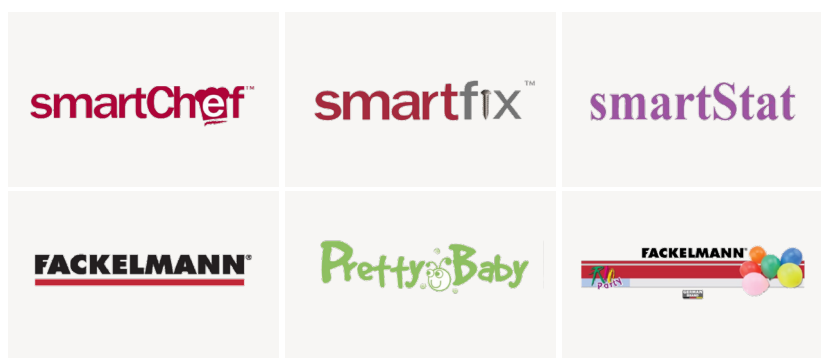


The majority of Tomkin Australia Pty Ltd's revenue is derived from the company's diversified portfolio of market-leading brands, including:



The majority of Smart Brands Pty Ltd's revenue is derived from the company's diversified portfolio of market-leading brands, including:



OPERATIONS

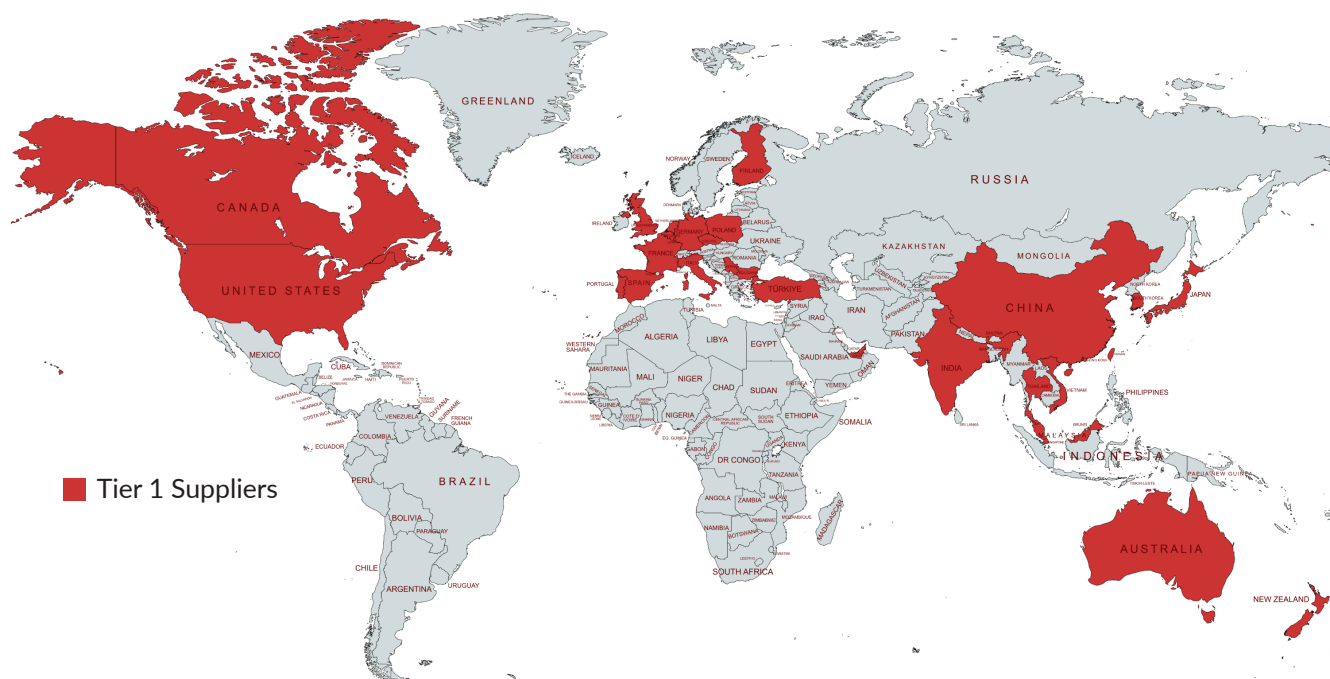
AFAP and its subsidiaries have principal operations in Australia, Hong Kong, New Zealand and Singapore. The Group employs a total of 215 people across the entities shown in the table below, the majority of which are located in Australia and New Zealand.

	Australia (Fackelmann Housewares Pty Ltd, Tomkin Pty Ltd, Smart Brands Pty Ltd's)	New Zealand (Fackelmann New Zealand Ltd)	Asia (Fackelmann Housewares Singapore Pte Ltd, MCP Housewares HK Limited)	Total
Full Time	104	27	26	157
Part Time	3	30	1	34
Casual	10	1	0	11
Contract	13	0	0	13
Total	130	58	27	215

SUPPLY CHAIN

Our supply chain is extensive, reaching from Australia to locations in Asia, Europe and Oceania. Our products supply chain includes sourcing of housewares products for distribution and use in our business operations. Our services supply chain includes services that support our operations including freight, marketing, financial and legal services, IT and the cleaning and security services for our offices. We strive to ensure our suppliers meet the required standards and demonstrate consistency in ethical practices throughout their supply chains.

TIER 1 SUPPLIERS

[illegible]

- | | | | |
|-------------|--------------|---------------|----------------------------|
| • Australia | • Germany | • New Zealand | • United Arab Emirates |
| • Belgium | • Hong Kong | • Portugal | • United Kingdom |
| • Bulgaria | • India | • Serbia | • United States of America |
| • Canada | • Italy | • Singapore | • Vietnam |
| • China | • Japan | • Spain | |
| • Czechia | • Korea | • Taiwan | |
| • Finland | • Luxembourg | • Thailand | |
| • France | • Malaysia | • Turkey | |

SPEND ANALYSIS – OPERATIONS AND SUPPLY CHAIN

We source our products from nearly 300 suppliers across 27 countries. Additionally, we procure a wide range of products and services from more than 350 suppliers to support and facilitate our business operations. These services include IT support, logistics and transport, marketing, warehousing (third-party logistics), and professional services.

IDENTIFYING OUR MODERN SLAVERY RISKS

We acknowledge that all industries and businesses have the potential for modern slavery risks to exist in their operations and supply chains. We have considered these potential risks within the context of our business, having regard to the nature of our sourcing activities as described above.

Operational and Supply Chain Risks

We believe the nature and characteristics of our direct operations present a low risk of modern slavery.

This assessment is supported by our robust recruitment and onboarding processes, ensuring compliance with all relevant laws across the Group. Our policies, including the Code of Conduct, Equal Employment Opportunity Policy, and Whistleblower Policy, clearly communicate and reinforce our expectations. These are complemented by training, accessible grievance mechanisms, and ongoing monitoring programs to manage the risk of modern slavery effectively.

Additionally, the stringent standards, obligations, and worker protections mandated by Australian and New Zealand labour laws contribute to a relatively lower risk of modern slavery within our business units. However, we acknowledge the complexity of our operations and supply chains, particularly the challenges of gaining full visibility into working conditions beyond our Tier 1 suppliers.

To address this, we remain vigilant about potential human rights risks. We continuously monitor our risk profile through a combination of methods, including third-party audits, supplier questionnaires, analysis of industry trends and media reports, and collaboration with our suppliers. Our sourcing team works diligently to oversee new and existing suppliers, ensuring that any identified risks are managed effectively.

We also recognise that our exposure to modern slavery risks is not static and will evolve over time. This awareness drives our commitment to maintaining a dynamic, ongoing approach to risk management.

ASSESSING AND ADDRESSING MODERN SLAVERY RISKS

The Group has taken the following actions to assess and address the risks of modern slavery in our supply chains. These actions will continue to be strengthened where necessary as the nature of these risks evolve and change over time.

GOVERNANCE

The AFAP Board of Directors (the Board) is committed to eradicating modern slavery within the Group's supply chains and operations. The Board ensures the Group maintains an effective risk management system to address key risks and comply with the legislative requirements of the Act. It oversees and approves the key policies outlined below and ensures findings from external audits are effectively addressed. Furthermore, the Board actively monitors potential risks through ongoing engagement with the Group's senior management.

Senior management is responsible for implementing systems to mitigate risks and, in collaboration with employees, identifying and resolving any issues that may arise.

The organisation proudly upholds a strict zero-tolerance policy toward modern slavery, rejecting all forms of forced labour, human trafficking, and exploitation.

Assessing the human rights impacts of our business operations is a continual priority. We are committed to ongoing efforts to refine and strengthen our approach through learning, development, and continuous improvement.

POLICIES

The Group has policies and standards in place which recognise the importance of maintaining a high standard of behaviour in our relationships with each other, with our customers and our suppliers.

Document	Purpose
Code of Conduct	Establishes the standards that we uphold in the operation of our business by promoting specific principles in conjunction with our values. The code provides guidance as to the standard of personal behaviour expected of all employees, consultants and subcontractors.
Equal Employment Opportunity Policy	Aims to ensure fair and equitable practices are applied in the workplace and that any intolerance in the workplace is identified, addressed and rectified. We are committed to providing a workplace free from any form of harassment, bullying, discrimination, victimisation and vilification. Workplace harassment, discrimination, bullying, victimisation and vilification in any manner or form is expressly prohibited and will not be tolerated.
Whistleblower Policy	Provides an avenue to report and address actual or suspected wrongdoing and to protect anyone who reports such incidents. We are committed to the highest standards of legal, ethical and moral behaviour and ensuring compliance in all aspects of the organisation. We recognise the importance of transparency and accountability in our operations.

Grievance Procedure Policy	Provides an appropriate mechanism for identifying, addressing and resolving work related complaints or grievances as they arise. A grievance is defined as a legitimate type of problem, concern or complaint related to work or the work environment an employee may have.
Work Health & Safety Policy	Explains our commitment to Work Health and Safety (WHS). We are committed to ensuring all work activities are carried out safely and with all possible measures taken to remove (or reduce) risks to the health, safety and welfare of workers, contractors and others who may be affected by our operations.

These policies are communicated to employees when they join the Company and are available on our internal network.

MCP Housewares HK Limited is responsible for a significant portion of supply chain procurement. This is conducted with regard to the Guiding Ethical Principles in the Assessment of Suppliers, which stipulate that the entity will only trade or continue to trade with suppliers who follow the below ethical requirements regarding their business operations.

1. The supplier factory site should have the relevant legal operating license and their operations must comply with all relevant local regulations and laws.
2. The supplier must not employ or use child, forced or illegal labour in any part of the manufacturing process.
3. Living wages of workers should comply with local regulatory wage standards.
4. The supplier must not engage in or support the use of corporal punishment or monetary deduction.
5. Employees working overtime and holidays should be paid in line with local laws.
6. The factory site and employee working environment must be safe and have adequate lighting, heating and cooling ventilation.
7. Personal protective devices should be provided to workers who are working in a process which has high risk exposure.
8. All machinery and equipment should have protective covers to those parts with flywheels or moving gears whenever possible; stoppers must be added to stamping machines.
9. Hazardous chemicals or goods should be stored in an isolated or bonded area.
10. Fire prevention and pest control procedures should be in place and cover specific situations and be in line with local regulations.

We're in the process of updating our Supplier Code of Conduct to reflect our commitment to building ethical partnerships and promoting socially responsible business practices. The updated code will be rolled out in FY2025, fostering greater accountability and collaboration across our operations and supply chain.

Additionally, we are reviewing our policies, standards, and procedures to ensure they remain relevant and in continued compliance.

DUE DILIGENCE AND SUPPLIER ENGAGEMENT

We are reviewing our supplier questionnaire, which is set to be rolled out in FY2025, as part of our ongoing commitment to enhancing supplier engagement and ensuring compliance with ethical standards. In line with this initiative, we have recently extended FSC certification to Fackelmann Housewares, further strengthening our sustainability credentials and modern slavery response.

Our approach to modern slavery involves an ongoing management process to identify, prevent, mitigate, and address potential adverse human rights impacts in our operations and supply chains. This process reflects our commitment to ethical practices and strong supplier partnerships.

Due Diligence Framework

Our framework includes proactive measures to assess and manage risks related to modern slavery and other human rights issues:

- **Pre-Supplier Engagement:** Before entering a business relationship, we conduct comprehensive desktop assessments to ensure suppliers meet our ethical and operational standards.
- **Supplier Assessment Report:** Suppliers complete a detailed evaluation covering employment practices, health and safety measures, quality assurance systems, compliance with modern slavery regulations, and technical capabilities.
- **On-Site Audits:** Where necessary, we carry out in-person audits of supplier facilities to validate the information provided and observe practices firsthand.
- **Risk Assessment:** We continually assess potential risks in supply chains, prioritising high-risk geographies and sectors, and collaborate with suppliers to address identified gaps.

Continuous Supplier Engagement

Our engagement strategy focuses on fostering transparency and collaboration with suppliers:

- **Ongoing Monitoring:** We maintain active communication with suppliers to track progress on corrective actions, verify compliance, and support continuous improvement initiatives.
- **Collaboration for Improvement:** When gaps are identified, we work closely with suppliers to develop action plans, providing a clear pathway to compliance rather than immediately ending relationships.

This comprehensive approach helps us mitigate risks in our supply chain while driving positive change, aligning with our ethical values and legal obligations.

Supplier Partnerships

A key priority for the Group is, wherever possible, to inspect the factories of all suppliers from whom we directly source products. When engaging new suppliers, we undertake a risk assessment as part of our tender process. Once a key supplier is onboarded, we conduct periodic audits of their factories. Wherever possible, we strive to build strong, long-term relationships with suppliers. However, we cannot maintain partnerships with suppliers who fail to adhere to our Ethical Principles.

During FY2024, we focused on identifying modern slavery risks and strengthening third-party audits to ensure compliance with ethical standards. This work continues into FY2025 as we conduct a comprehensive review of suppliers across products, services, and goods not for resale. Our goal is to enhance accountability, transparency, and alignment with modern slavery regulations across our supply chain.

Progress and Outcomes

We carefully select suppliers who prioritise safe factory conditions and worker protection. Over the past decade, we have observed significant improvements in labour rights and working conditions within our suppliers' factories. Specifically, factories have enhanced air quality, extraction systems, the handling of harmful substances, workplace protections, and pay practices. To date, our monitoring and audits have not identified any instances of modern slavery within our suppliers' factories.

Audit
statistics

FMHW Pty Ltd: 86% of our top suppliers
all have BSCI / SEDEX Audits

REMEDIATION

We are deeply committed to addressing any potential involvement in modern slavery. If we are found to have caused, contributed to, or been connected to such incidents, we are resolute in implementing a comprehensive remediation plan.

To date, we have not identified or been made aware of any instances of modern slavery within our operations or supply chains.

Should such incidents come to light in the future, we will take a proactive approach by initiating an open dialogue with the responsible party to collaboratively understand and address the underlying issues. When implementing a remediation plan, we prioritise the well-being, safety, and protection of the victim above all else. If a supplier is unable or unwilling to address such issues, we may be compelled to discontinue our commercial relationship.

Although no incidents requiring remediation have been identified to date, we remain vigilant in monitoring modern slavery risks within our supply chain by:

- Monitoring news and market updates to identify potential modern slavery incidents involving our current suppliers or those in our database.
- Conducting modern slavery risk assessments before establishing business relationships.

TRAINING AND DEVELOPMENT

In FY2024, we updated our modern slavery training program. This program focuses on providing updated information about our reporting obligations under the *Modern Slavery Act 2018*, ensuring compliance with local regulations. It includes content on modern slavery legislation and initiatives globally to enhance understanding of risks beyond Australia. This targeted training has been reviewed by executive team members and we will roll out this training to all business units in early FY2025.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

We recognise the importance of evaluating the effectiveness of our efforts to manage and mitigate modern slavery risks within our operations and supply chain. We are committed to continually understanding and monitoring the impact of our actions and performance. To achieve this, we have assessed the effectiveness of our initiatives against the following activities:

	Objectives	FY2023 Outcomes
Governance, systems, and processes	<ul style="list-style-type: none"> • Increase engagement with international brand owners, with relation to modern slavery and our expectations • Develop Modern Slavery Minimum Standards 	<ul style="list-style-type: none"> • An ongoing review of policies and procedures is being conducted to ensure continued compliance with modern slavery regulations • Objectives and Key Results (OKRs) related to supplier management and modern slavery are currently being developed and will be implemented in FY2025. These objectives will focus on enhancing supplier compliance and mitigating modern slavery risks across the supply chain
Risk Management	<ul style="list-style-type: none"> • Continue to implement a due diligence approach for all manufacturers of Fackelmann Housewares owned brands • Continue to review and renew Supplier Assessment Report 	<ul style="list-style-type: none"> • 86% of Fackelmann Housewares Pty Ltd top product suppliers have completed due diligence or a social compliance audit • The new supplier onboarding due diligence process is continuously evolving and is being adopted as standard practice across the Group
Training, awareness, and engagement	<ul style="list-style-type: none"> • Incorporate modern slavery awareness in staff induction programs • Create broad internal modern slavery engagement and awareness program including an annual renewal training for team members 	<ul style="list-style-type: none"> • The modern slavery training program has been updated and will be rolled out in early FY2025
Monitor and report	<ul style="list-style-type: none"> • Communicate the Group's commitment to reduce the risk of modern slavery occurring in our operations and supply chain. 	<ul style="list-style-type: none"> • The Group's Modern Slavery Statement for each reporting period is publicly available on the Australian Border Force register and the Fackelmann Housewares website

CONSULTATION WITHIN THE GROUP

All the reporting entities covered by this statement have been consulted while preparing this Statement. Each entity has been closely involved in modern slavery awareness briefings and interviews to gather information and analyse risks.

In addition, a draft of this statement was provided to each entity with an opportunity to provide feedback prior to its approval.

The final statement was approved by the AFAP board, and is signed by Mark Batson, Fackelmann Housewares CEO on the first page of this statement.

OTHER INFORMATION

The Group will continue to engage with its employees, suppliers and partners and look for new methods to improve ways of working and eliminate the potential risks of modern slavery in its operations and supply chain.

As we look ahead to FY2025 and beyond, our focus remains steadfast on advancing our efforts across critical areas to drive meaningful impact. We will continue to define and implement key actions, establish clear measures of success, and outline expected outcomes in the following priority areas:

Focus Areas	Objectives
Governance, systems, and processes	<ul style="list-style-type: none"> Continue to strengthen the frameworks and policies that underpin our operations, ensuring they remain robust, agile, and aligned with evolving standards and regulations.
Risk Management and Due Diligence	<ul style="list-style-type: none"> Continue implementing a due diligence approach for all manufacturers of Group-owned brands. Increase our use of preferred raw materials, such as FSC-certified products, to promote responsible sourcing.
Training, awareness, and engagement	<ul style="list-style-type: none"> Continue to implement and expand modern slavery training programs to support the identification and management of associated risks. Develop targeted training for staff in high-risk roles, including Procurement, Sales, and HR, focusing on areas where modern slavery risks are more likely to occur. Build capacity across the business through ongoing training initiatives to raise awareness and provide the knowledge and resources needed to identify unethical practices and modern slavery risks. Increase collaboration with suppliers and other stakeholders, enhancing their ability to identify and address modern slavery risks through capacity-building efforts.
Monitoring and reporting	<ul style="list-style-type: none"> Communicate our continued commitment to the prevention, response to, and remediation of modern slavery. Ensure compliance with obligations under the Modern Slavery Act through consistent monitoring and reporting.

We will continue to track and publicly report on our progress.

AF Asia-Pacific Holding Proprietary Limited

