

# Modern Slavery Policy

Effective Apr 2026 | Next Review: Apr 2027 | Version 2.0

## EXECUTIVE SUMMARY

Direct Ergonomics Pty Ltd is committed to the elimination of modern slavery in all its forms across our operations and supply chain. As Australia's only 100% Aboriginal-owned commercial furniture manufacturer, respect for people and human rights is intrinsic to how we operate.

This Policy establishes our framework for identifying, assessing, and addressing modern slavery risk through risk-based supplier due diligence, active management of inherent risk areas, and a culture of openness and accountability. Direct Ergonomics is an active AB-level member of SEDEX, conducts pre-engagement and pre-project due diligence on all overseas suppliers, and undertakes quarterly on-site visits to overseas manufacturing partners conducted by the General Manager and senior management team.

Accountability for this Policy sits with the General Manager, reporting to the Managing Director, with material matters escalated to the broader management team. The Policy is reviewed annually and aligns with the Modern Slavery Act 2018 (Cth), Modern Slavery Act 2018 (NSW), the UN Guiding Principles on Business and Human Rights, ISO 20400 Sustainable Procurement Guidelines, the International Bill of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.

Direct Ergonomics has a zero-tolerance position on modern slavery. Where risk or non-compliance is identified, we will act decisively — engaging suppliers on remediation where workers' interests are best served, and exiting relationships where remediation fails.

## 1. POLICY STATEMENT AND SCOPE

### 1.1 Reporting Entity

Direct Ergonomics Pty Ltd (ABN 76 003 840 220) is a limited liability commercial furniture manufacturer headquartered at 30-32 Hotham Parade, Artarmon NSW 2064. Direct Ergonomics is 100% Aboriginal-owned and Supply Nation certified, with operations across all states of Australia and overseas manufacturing partnerships in China. This is the sole entity covered by this Policy.

## 1.2 Scope

This Policy applies to all Direct Ergonomics business operations, employees, contractors, and to all subcontractors and suppliers within the Direct Ergonomics supply chain. Compliance with this Policy is a condition of engagement with Direct Ergonomics.

## 1.3 Applicable Frameworks

This Policy is aligned with and supports the intent of:

- Modern Slavery Act 2018 (Commonwealth)
- Modern Slavery Act 2018 (NSW)
- UN Guiding Principles on Business and Human Rights
- ISO 20400 Sustainable Procurement Guidelines
- International Bill of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- NSW Government procurement policy framework

Direct Ergonomics is not currently a mandatory reporting entity under the Commonwealth Modern Slavery Act 2018 (annual consolidated revenue below the \$100 million threshold). Direct Ergonomics maintains this Policy and conducts the activities described within it voluntarily, in recognition of the increasing expectations of our government, corporate, and architect-led customer base.

## 2. COMMITMENT

Direct Ergonomics holds a zero-tolerance position on modern slavery in all its forms — including human trafficking, slavery, servitude, forced labour, forced marriage, debt bondage, child labour, and deceptive recruiting practices. We have no appetite for causing harm to persons, contributing to harm through our supply chain, or commercial relationships that compromise this position.

Direct Ergonomics commits to:

- Identify and assess modern slavery risk across our operations and extended supply chain on a risk-based basis
- Take proactive steps to prevent and mitigate human rights impacts that we may cause or contribute to
- Exercise due diligence over our supplier base, with enhanced controls applied to higher-risk supply
- Provide effective remediation where modern slavery is identified, prioritising the interests of affected workers

- Maintain a workplace culture in which concerns can be raised openly and without fear of retaliation
- Review the effectiveness of our approach annually and continuously improve our controls

### 3. GOVERNANCE AND ACCOUNTABILITY

Accountability for the implementation and effectiveness of this Policy is structured as follows:

Role	Responsibility
<b>General Manager</b>	Day-to-day owner of this Policy. Responsible for implementing risk assessment, supplier due diligence, training delivery, and remediation activities. Conducts quarterly on-site visits to overseas manufacturing partners with senior management.
<b>Managing Director</b>	Executive sponsor. Sign-off authority for the annual Policy review. Final escalation point for any matter of contractual or reputational significance.
<b>Broader Management Team</b>	Escalation forum for any identified breach, suspected incident, or material change in strategic approach to modern slavery management.
<b>All Personnel</b>	Compliance with this Policy. Raising concerns or suspected incidents through the open-door process described in Section 8.

### 4. SUPPLY CHAIN RISK PROFILE

Direct Ergonomics manufactures the majority of its standard product range at its Artarmon NSW facility, with approximately 70% of suppliers based in Australia and the remaining 30% based in China. Our deliberate domestic-first sourcing model substantially reduces inherent modern slavery risk exposure relative to industry peers.

Direct Ergonomics has identified the following inherent risk areas within our supply chain and has implemented controls commensurate with the risk:

#### **4.1 Offshore Manufacturing of Components**

Specialist components that are not commercially available from Australian manufacturers (including certain seating mechanisms and ergonomic gas-lifts) are sourced from pre-qualified Chinese manufacturing partners. These suppliers are subject to enhanced due diligence, quarterly on-site visits, and ongoing monitoring through our SEDEX platform.

#### **4.2 Textiles, Upholstery and Raw Materials**

Direct Ergonomics recognises the documented modern slavery risks within global textile supply chains, including risks associated with cotton sourced from the Xinjiang region of China and risks within broader upholstery, foam, and finishing supply chains. Direct Ergonomics preferences Australian-manufactured fabrics, foams, and finishes as standard options across our seating and soft-furnishing range. Where offshore-sourced textiles are used, suppliers are subject to enhanced due diligence and SEDEX-supported risk screening.

#### **4.3 Regional and Remote Installation Labour**

Direct Ergonomics engages pre-qualified regional installation partners to service regional and remote NSW. Subcontracted installation labour is included within the scope of our supplier due-diligence framework, with confirmation of fair wages, lawful working conditions, and the absence of unauthorised sub-subcontracting required prior to engagement.

#### **4.4 Freight and Logistics**

Specialist freight and logistics partners are pre-qualified and subject to the same due-diligence framework as other suppliers, with particular attention to wage practices and working conditions for drivers and warehouse personnel.

### **5. SEDEX MEMBERSHIP AND RISK MANAGEMENT**

Direct Ergonomics is an active AB-level member of SEDEX (Supplier Ethical Data Exchange). SEDEX is one of the world's leading ethical trade membership organisations, providing a platform for managing and sharing ethical and responsible business practices data across global supply chains.

Through SEDEX, Direct Ergonomics has access to:

- Supply chain risk assessment tools to identify inherent risk areas based on geography, sector, and workforce profile

- A platform for sharing ethical and labour-rights data with customers and trading partners
- Standardised frameworks for assessing supplier ethical performance
- Reference data and intelligence on global modern slavery and labour rights issues

Direct Ergonomics uses SEDEX as one component within our broader supplier risk assessment framework, supporting our pre-engagement due diligence on overseas suppliers and helping us prioritise our limited assurance resources on areas of highest inherent risk.

## 6. SUPPLIER DUE DILIGENCE

### 6.1 Risk-Rating Methodology

All material suppliers (tier 1) are risk-rated against four factors:

- Geography — country risk based on recognised prevalence indicators and SEDEX intelligence
- Sector — inherent industry risk (e.g. textiles, raw materials with higher inherent exposure)
- Workforce profile — use of migrant, temporary, or low-wage labour
- Prior incident history — known issues, audit findings, or media reports relating to the supplier

Suppliers are categorised as low, medium, or high risk. The depth and frequency of due diligence applied increases with the assessed risk rating.

### 6.2 Pre-Engagement and Pre-Project Due Diligence

Modern slavery and human rights requirements form a mandatory component of Direct Ergonomics' supplier due-diligence process. All overseas suppliers are assessed prior to engagement, and re-verified prior to use on a new project or product line. Engagement does not proceed where these requirements cannot be satisfied.

Assessment covers, as a minimum:

- Prohibition of child labour, forced labour, bonded labour, and trafficked labour
- Payment of fair wages in compliance with applicable local law
- Reasonable working hours and lawful overtime practices
- Freedom of association and the right to collective bargaining
- Safe and lawful working conditions

- Workplace policies prohibiting discrimination, harassment, and abuse
- Evidence of a worker grievance mechanism — considered as one factor during assessment
- Sub-contracting practices and visibility of tier 2 supply where material

Direct Ergonomics is committed to performing annual reviews of all tier 1 suppliers, in addition to the pre-engagement and pre-project assessments described above.

### **6.3 Enhanced Due Diligence for Higher-Risk Suppliers**

Suppliers assessed as higher risk — primarily overseas manufacturing partners — are subject to enhanced due diligence, including:

- Additional documentary evidence of compliance, including certifications and audit reports where available
- Third-party audit evidence where commercially available
- Quarterly on-site visits to overseas manufacturing partners, conducted by the General Manager and other members of the senior management team. The most recent on-site visit occurred in April 2026.
- Ongoing monitoring through SEDEX and other available intelligence sources

### **6.4 Supplier Engagement and Capability Building**

Where a supplier's capability is below Direct Ergonomics' expectation, our default approach is to engage with the supplier on a documented corrective-action plan rather than immediate exit. This approach maintains the commercial leverage required to actually improve conditions for workers, and recognises that abrupt supplier exit can transfer risk to workers rather than resolve it. Suppliers who fail to engage with corrective action or who are unable to remediate identified issues within agreed timeframes are exited from the Direct Ergonomics supplier base.

## **7. TRAINING AND AWARENESS**

All Direct Ergonomics personnel are introduced to this Policy and to modern slavery risk awareness as part of induction. The Policy is available to all personnel on the company intranet and on request to suppliers, customers, and other interested parties.

Direct Ergonomics is committed to delivering annual modern slavery refresher training to our workforce, with content tailored to the specific roles and risk exposure of different personnel groups.

## 8. WORKER VOICE AND RAISING CONCERNS

Direct Ergonomics operates an open-door culture in which all personnel are encouraged to raise concerns relating to modern slavery, human rights, ethical conduct, or any other workplace issue. Concerns may be raised with any member of the management team, including directly with the General Manager or the Managing Director.

Direct Ergonomics commits that:

- Every concern raised will be heard, taken seriously, and acted upon
- Raising a concern in good faith will not result in any adverse impact on a person's employment, engagement, or standing within the business
- Confidentiality will be maintained to the maximum extent consistent with effective investigation

In addition, in Australia, the Australian Federal Police is responsible for investigating suspected cases of modern slavery and can be contacted on 131 444. Contact can be made anonymously.

## 9. REMEDIATION

Where modern slavery or a credible risk of modern slavery is identified in Direct Ergonomics' operations or supply chain, our remediation framework prioritises the interests of affected workers. Our standard response sequence is:

- Pause any new orders or engagements with the relevant supplier pending investigation
- Engage the supplier on a documented corrective-action plan with agreed timeframes and milestones
- Support remediation for affected workers wherever this is within Direct Ergonomics' capacity to influence
- Report identified or suspected cases to the Australian Federal Police and other relevant authorities as appropriate
- Exit the supplier relationship as a last resort, where the supplier refuses to engage with remediation or where remediation efforts fail

This framework reflects guidance from the UN Guiding Principles on Business and Human Rights, which recognises that abrupt disengagement from suppliers can in some circumstances worsen outcomes for affected workers.

## 10. REPORTING AND TRANSPARENCY

This Policy is reviewed annually and made available:

- To all Direct Ergonomics personnel via the company intranet
- To suppliers, customers, and other interested parties on request
- As part of tender responses and customer onboarding processes where requested

As Direct Ergonomics is not currently a mandatory reporting entity under the Commonwealth Modern Slavery Act 2018, no annual public Modern Slavery Statement is required or issued. Direct Ergonomics will review its reporting position annually as the business grows and as customer expectations evolve.

## 11. CONTINUOUS IMPROVEMENT AND POLICY REVIEW

This Policy is formally reviewed at least annually by the General Manager and submitted to the Managing Director for sign-off. The annual review considers:

- Effectiveness of existing controls and the supplier due-diligence framework
- Any identified incidents, near-misses, or supplier corrective actions during the review period
- Changes to the regulatory environment, including amendments to the Modern Slavery Act 2018 (Cth) and (NSW)
- Changes to the customer base and customer expectations, particularly government and corporate ESG requirements
- Changes to the Direct Ergonomics supplier base, geographic footprint, or product range

Ad-hoc reviews may be triggered between annual reviews by material regulatory change, identification of an incident or breach, significant change in supplier base, or other material change in the business.

## 12. POLICY APPROVAL

This Policy was approved by the Managing Director of Direct Ergonomics Pty Ltd and is effective from 1 April 2026.



Donna McMullen-Jason  
Managing Director  
Direct Ergonomics Pty Ltd  
*Effective: Apr 2026*