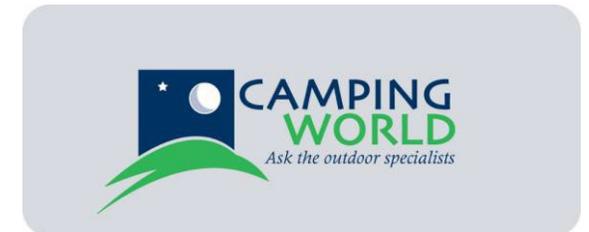


Modern Slavery Statement

Reporting Year FY 2021-2022



Contents

- 01 CEO Foreword
- 02 Our Structure, Operations & Supply Chain
- 03 Identifying & Addressing Risks in Our in Operations & Supply Chain
- 04 Evaluating The Effectiveness Of Our Actions
- 05 Update on Commitments.
- 06 Planned Activities for Financial Year 2022-2023
- 07 Appendix



This Modern Slavery Statement is published by Associated Retailers Limited (ARL) ACN 004 520 030 in accordance with its obligations under the Modern Slavery Act 2018 (Cth) for the financial reporting period

1 July 2021 - 30 June 2022 (inclusive). Established in 1956 Associated Retailers Limited is one of Australasia's largest independent retail buying groups that operates as a co-operative with retail stores across Australia & New Zealand.

The statement sets out the actions taken by Associated Retailers Limited in identifying and addressing risks of modern slavery in its operations and supply chain as well as the effectiveness of those actions.

Foreword from Franco Godinich

Despite another challenging year of global disruption due to the ongoing pandemic, ARL is proud to present our third Modern Slavery Statement. This statement provides an update on our progress during FY 21/22 and also outlines our objectives for the year ahead.

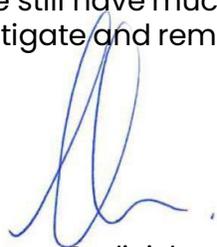
Preventing and addressing our own involvement in modern slavery is central to ARL's sustainability approach.

We support and respect the protection of internationally proclaimed human rights and endeavor to make sure ARL identifies and manages the modern slavery risk.

As strong advocates for the modern slavery reporting requirements in Australia, ARL is committed to maintaining and improving systems and processes to avoid complicity in modern slavery or human rights violations related to our own operations, supply chain and services.

With a zero tolerance to any breaches of modern slavery, it is a requirement that our suppliers comply with the standards and principles of the Modern Slavery Act 2018 and Human Rights Charter and continue to work closely with our supplier partners to tackle this issue.

We still have much work to do to ensure that we build a strong and robust framework in order to identify, mitigate and remediate the complex issues of modern slavery.



Franco Godinich
Chief Executive Officer
Associated Retailers Limited



This Modern Slavery Statement has been reviewed and approved by the Board of Directors of Associated Retailers Limited 25th November 2022

Our Structure, Operations & Supply Chain

About Associated Retailers Limited Established in 1956 Associated Retailers Limited (ARL) is one of Australasia's largest independent retailer buying groups that operates as a co-operative with retail stores across Australia and New Zealand. The principal activities of ARL include the licensing of ARL owned brands: Camping World, Compleat Angler, Mensland, Shoex, SportsPower and Toyworld providing its members with retail and marketing services.

Product ranges include Toys, Bikes, Sports Equipment, Camping Products, Fishing Products, Clothing and Footwear.

Across the group stores stock a curation of over 500+ international and local brands including 16 of our own brands.

Our structure & operations

Associated Retailers Limited operations are headquartered in Oakleigh Victoria Australia and Auckland NZ. Our retail group has over 500 stores nationally and with the exception of one company owned Toyworld in Townsville all stores are independently owned and operated.

As of June 30 2022 we directly employed 44 people in Australia including both permanent and casuals throughout our two sites across 10 different business units including Divisional Brand Buying Groups, Marketing, Finance, IT and Logistics.

Our Product Supply Chain

Our product supply chain consists of international brands and local brands as well as our own brands. ARL Owned Retail Brands are home to over 500+ International and Local brands sourced from brand partners. Our own brand/label business comprises 16 brands across Toys, Sporting Equipment, Apparel, Fishing and Camping. In FY 2021-2022 these brands were Playworld, Gym Tech, Aqua Tech, SportsPower, Allegre, Bertini, Compleat Angler, Angler Tech, Icon, Nitro, Yakamito, Live Native, Konan, Camping World, Outdoor Equipped and Feral X.

FY 21/22 was a year of consolidating our own label factories from 91 to 9 as we rationalized our direct programs. As at 30th June 2022, we currently source with 9 independently owned factories. China (8), Japan (1).

Our Non-trade Supply Chain

In our non-trade supply chain we transacted with 22 suppliers during the reporting period which provided goods and services to our membership across categories such as logistics, international freight forwarding, packaging and cleaning.

Governance and Accountability

ARL believe in practicing strong and effective governance and are committed to maintaining a robust human rights due diligence system. The ultimate accountability for ARL's due diligence efforts is held by the ARL Executive Team including ensuring modern slavery risks are managed within our CSR Framework.

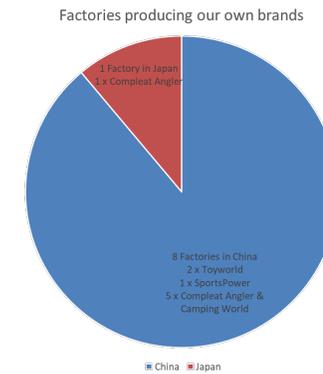
500+

International & Local Brands

16

Own Label Brands

9 Independent factories in 2 countries producing our own brands



Our Own Brands



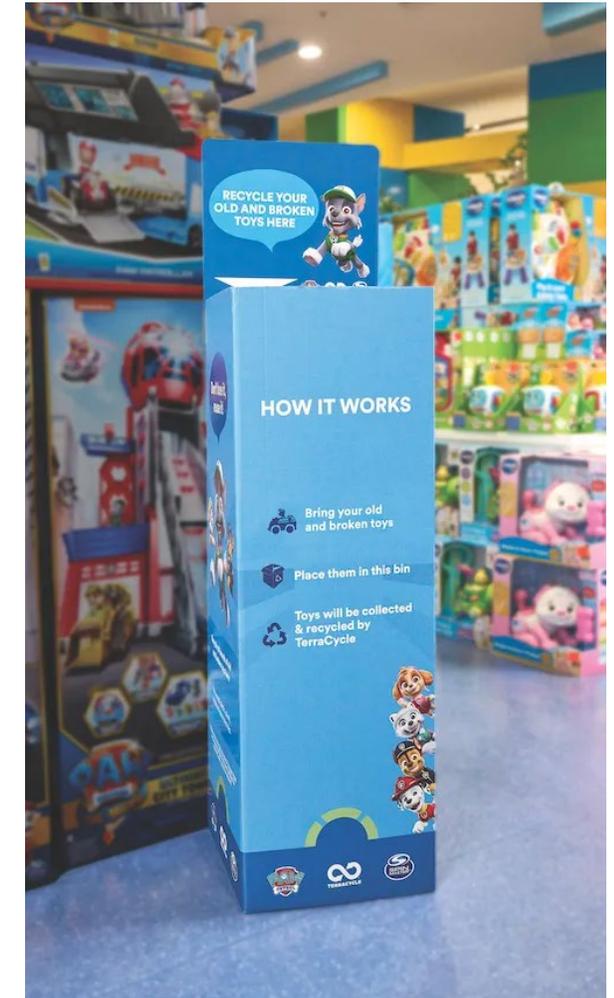
Addressing environmental impacts

In the second half of FY 21/22, ARL as part of our CSR initiatives and environmental impact reduction achieved the following:

- Installed solar panels at our Support Office in Oakleigh Victoria in our efforts to help combat greenhouse gas emissions and reduce our collective dependence on fossil fuel.
- Replaced all plastic bags to recycled paper bags across all Textile, Clothing and Footwear Stores.
- Toyworld stores partnered with Terracycle Australia and Paw Patrol to become collection points significantly expanding the initiative that was first introduced in late 2021. Consumers can now drop off damaged or outdated toys of any brand at any of the 40 Toyworld locations nationwide. Items made from a complex mix of materials require manual sortation and special recycling technology, which is often too costly for kerbside recycling. Through our partnership, Paw Patrol is providing an end-of-life solution for toys that would otherwise take hundreds of years to break down in landfill.



- SportsPower continues their partnership as a proud partner of TreadLightly, a national recycling program that takes unwanted shoes and active lifestyle footwear and recycles it to give it a new life. The program is part of our wider commitment to take accountability for footwear waste in Australia. TreadLightly is an industry-led program empowering brands, retailers and consumers to save footwear from landfill - where it can take up to 1000 years to decompose. If you have any pre-loved footwear laying around, you can visit one of SportsPower stores listed below and drop off your shoes to be recycled responsibly. The TreadLightly recycling partner will then give them a new life as mats or flooring for retail stores, like SportsPower Wangaratta, gyms and playgrounds. The TreadLightly goal is to collect over one million pairs of footwear from Aussies to recycle by 2023, so do your bit and join the TreadLightly mission by recycling your old shoes.



Identifying & Addressing Risks in Our Operations & Supply Chain

ARL acknowledges modern slavery takes many forms and includes situations of coercion, threats or deception to exploit victims and undermine their freedom including human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour.

We place high expectations on staff & supply chain partners to uphold the minimum standards relating to environmental impacts, human rights, labour standards and health & safety standards outlined in The ARL Supplier Code of Conduct.

Our focus is to ensure we have greater visibility of various risks which potentially exist across different areas of our business, continual review and improvement of our existing actions and controls to mitigate these.

Assessment tools and supplier questionnaires used in 2020–2021 were enhanced to include greater detail of information including details and evidence of all external audits conducted and certification during the 2021–2022 reporting period.

Risks are assessed by country, inherent sector, commodity and worker group against our business operations and in our supply chain.

Suppliers are categorized based on country of origin and their volume of supply. A gap analysis is conducted to estimate the probability of risk within our supply chain.

To support our assessment we have used the risk profile of individual countries and commodity based on the Global Slavery Index and 2020 ITUC GLOBAL RIGHTS INDEX as a benchmark.



Risks in our operations

ARL's operations are based in Oakleigh Melbourne Victoria, Auckland NZ and a retail store in Townsville. In Melbourne our support office consists of 10 different business units including Branded Buying Groups, Marketing, Finance, IT and Logistics the overall risk profile of our operations continues to be low.

To avoid risk of modern slavery within our operations ARL operates a rigorous recruitment selection process for all hiring decisions which includes obtaining documented proof of age and an individual's right to work in the country. We have a suite of policies to support our zero tolerance approach to bullying.

Our commitment to conducting business in an open and ethical way is supported through our Code of Conduct addressing bribery and money laundering. The health and safety of our employees is always paramount.

ARL's company handbook addresses equal employment opportunities. As part of our induction process all new employees receive a copy of all policies and have them explained. All staff have access to our policies and [handbooks via General Staff Information on our Network](#)

Policies are reviewed annually by our Audit & Risk Committee.

Actions taken in our operations

In our third reporting period our key focus continues the embedding of our CSR and modern slavery framework within our organizations culture.

COVID disruptions continue to delay some initiatives including on-line training modules, our CSR working group and risk assessments of our logistics carriers which will be ongoing into FY22/23

All new ARL employees have undergone training on corporate social responsibility , modern slavery and sustainability as part of the induction process.

Product category buyers underwent revised training and utilized this to review and update current supplier manuals to support our supplier code of conduct, CSR framework and new supplier questionnaire assessments. Work has commenced on a new on-boarding process for any new own-brand suppliers however this was not required due to supplier consolidation in FY 21/22

Risks in our operations are managed by a robust governance framework, reporting regime, risk-assessment process and policy suite. These controls are over-seen by the Audit & Risk Committee.

The impact of COVID

COVID-19 has continued to impact both our operations (Support Office) and our supply chain with both our Own Brand and Wholesale suppliers experiencing factory closures and limited capacity as factories manage the health risks of workers.

Working from home remained in place for much of the first half of FY 21/22 for all support office staff. To ensure peace of mind for staff a 3 day working in the office protocol was implemented to reduce staff numbers and increase ability to physically distance. Existing protocols around face masks and sanitizing were observed.

We recognize the on-going impact the COVID- 19 pandemic has had on our factory partner workers we have requested additional information in regards to loss of wages, excessive overtime and on-site living conditions including availability of PPE to monitor the management of health risks and the potential of increased modern slavery risks within the workforce.

ARL has continued to honor all orders placed with our supplier partners in an effort to minimize our impact on factories and their workers.

Grievance mechanisms

ARL believes in a workplace culture that encourages all our employees, contractors and business partners to report any concerns or circumstances which may give rise to the risk of slavery or human trafficking.

The report process is designed to make it as easy as possible for people to make disclosures about any concerns. Employees are encouraged to report to their managers or to the person who is their key contact at ARL.

A separate email address modern.slavery@arl.com.au is available as a point of contact for any modern slavery related queries or reporting. There were no concerns relating to human rights or modern slavery violations during the reporting period.



Risks in our own-brand supply chain

During FY 2021 –2022 ARL reviewed and rationalized the number of independent factories producing our own brands from 91 down to 9. Most of these factories were producing minimal volume on our behalf which ensured that factories and workers were not impacted. To our knowledge none of the rationalized factories were identified as non-compliant prior to ceasing business.

Our 2021-2022 risk assessment identified that out of the 9 own-brand factories used 8 are located in countries with a higher presence of modern slavery risk indicators.

This reporting period we rolled out a new comprehensive Supplier Code of Conduct and our questionnaire to include greater information or risk indicators around the composition of the work force including % of women workers, the use of agency and migrant labour, the availability of grievance mechanisms and union participation, as well as the International Labour Organisation (ILO) indicators of forced labour such as excessive overtime.

Completed questionnaires were returned by 7 out of the 9 suppliers (77%). Of the 7 completed 6 factories were able to provide documentation relating to audits conducted via third parties and certification received with all compliant. The only risk factor identified is potential for excessive overtime. This will become a focus in the 2022-2023 reporting period.

Information received from 1 factory with a low risk indicator was deemed unsatisfactory and further information has been requested to ensure compliance.

Factory audits and remediation

Due to ongoing disruption from the COVID pandemic impacted our ability to conduct any in person factory audits. Our commitment was in FY 21-22 reporting period to audit our 3 largest own brand factories utilizing the services of ETA. (Ethical Trade Alliance) We were however able to utilize audit information and certification provided by 6 of our largest own label factories to verify compliance utilizing the modern slavery assessment framework.

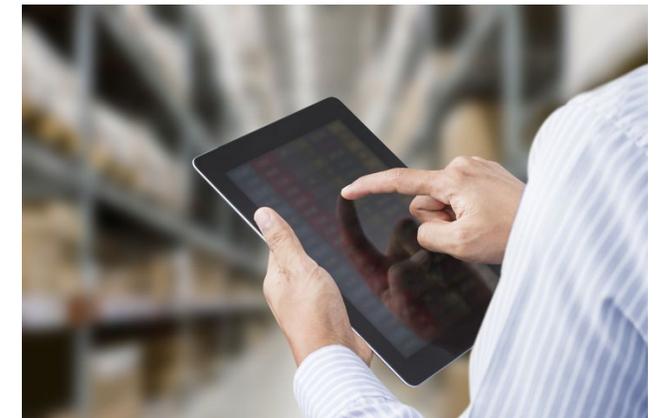
Factory level risk assessment

To further understand the risks that may be present in our manufacturing sites, we utilized our Modern Slavery Factory Assessment Questionnaire in conjunction with external audit information provided. Our assessment includes General Modern Slavery Responses – policies and processes, training for workers on modern slavery risks, previous breaches. Supply chain management – to assess risks further up the chain and identified risks. Child Labour – compliance to United Nations ILO Conventions and identification and age checks including age of youngest worker. Forced Labour, Bonded Labour, Human Trafficking policy and processes, Retention of documents, security deposits, monetary fines and the approach the factory has taken towards addressing human rights risks. Employment Conditions – contract, accommodation, ability to leave, payment of legal entitlements, published working hours policy. Grievance & Redress Mechanisms – mechanism to raise concerns, how these are monitored, action taken in addressing human rights risks and reports including remediation processes and effectiveness of actions.

The assessment from this framework demonstrated that our own label factories have a low level of reliance on seasonal workers with 98% permanent and a 58/42% male to female ratio. All factories all had worker representatives however only 10% were represented by a union. The average age of the youngest worker across the factories is 22 years old. 60% of assessed factories were able to provide written copies of Modern Slavery Policies and Procedures including policies supporting working hours, overtime and minimum payments. The remaining factories were able to clearly document policies and were verified by external audit documentation.

All factories had a mechanism to raise grievances however the most common way was via a suggestion box. 50% of the factories had complaint lines.

This has been identified as an area of improvement for FY 2022-2023 and we will work closely with factories to ensure 90% have a robust system better than a suggestion box.



Actions taken in our own-brand supply chain

During this reporting period ARL has continued to use our questionnaire and declaration process within our own-brand supply chain in order to assess risk. This will continue to be required annually from all suppliers.

Low volume independent own label factories were reviewed for on-going suitability and were rationalized.

No new suppliers were on-boarded in FY 21/22.

Supplier manuals incorporating the Supplier Code of Conduct and CSR Framework have been issued to all own label suppliers and factories.

We will also encourage our own-brand suppliers to undertake online training, external audits and certification on modern slavery risks in order to support their awareness and understanding of ARL's values and policies.



Risks in our wholesale supply chain

Due to lower visibility within our wholesale supply chain it is harder to assess and measure modern slavery risk. We recognize that the probability of modern slavery within the supply chain exists based on country of origin and risk profile of those countries and commodities.

According to the Global Slavery Index⁶, over 70% of Australia's imported clothes are sourced from countries where the apparel industry is considered at risk of using modern slavery.

We can determine a significant proportion of products are produced in countries and industry sectors with high inherent risk ratings given the range of apparel and footwear brands offered throughout our SportsPower and Mensland stores.

ARL are committed to ensuring a robust and dedicated approach to minimize any risk of modern slavery across our supply chain and will continue to utilize our supplier questionnaires and compliance documentation from our supplier partners.

Suppliers unable to provide information will then be reassessed as to their suitability as a preferred supplier.

Actions taken in our wholesale supply chain

Although we do not own or are able to directly control our third-party brand partners we recognize that we have a responsibility to influence and increase visibility wherever possible in order better manage and mitigate their own modern slavery risks.

Due to the fact that we do not own or are able to directly control our wholesale suppliers, our approach is one of greater engagement and educational support.

As with our own-brand supply chain we initially started our audit process by asking suppliers to fill in our questionnaire and declaration. As with the previous reporting period we have continued a process where our large suppliers can submit their Modern Slavery Statements and declaration. This allows for greater focus on small suppliers where the probability of risk is higher. We have continued to use mapping and gap analysis provided initially by ETA throughout this period.

Engagement with smaller TCF 3rd party suppliers by utilizing our supplier assessment questionnaire increased by 38% giving greater visibility of risk in non reporting high risk suppliers. This process did not identify non conformance with supplied responses taken as factual.

We will actively encourage all of our wholesale supply chain partners to continue to undertake online modern slavery training in order to better gain a greater awareness of this area as well as our Supplier Code of Conduct and trading terms to bridge the gap for compliance.

Update on Commitments

As outlined in our FY 2021-2022 Modern Slavery Statement key actions were prioritized for delivery in the reporting period. Although COVID interrupted significant progress was achieved.

Action Items 2021-2022

Our approach in 2021-2022 is to review, maintain and improve activities and processes previously implemented. We have analyzed the 3 key areas of Internal, External and Process Improvement requirements and activities.

Internal

- Re-run modern slavery awareness training. Evaluate the implementation of on-line modules to support. *On-going*
- Review our modern slavery governance framework and support structure. *Achieved*
- Establish a dedicated CSR working group to assess current CSR status and develop a CSR integrated strategic plan. *On-going*

External

- Increase visibility of modern slavery risk or abuse by improving own-brand supplier questionnaire and declaration compliance to 75%. *Achieved*
- Engage with non-reporting smaller wholesale suppliers to build their awareness in managing modern slavery risks. *Achieved*
- Engage ETA to conduct independent audits of our 3 largest (Volume) own-brand suppliers. *On-going utilized other external audits*

Process Improvements

- Continue to implement robust due diligence on working conditions in factories through more detailed supplier questionnaires and annual supplier declarations. *Achieved*
- Re-run gap analysis assessments on our own-brand suppliers to identify the probability of risk increase (COVID-19 impacts) and to assess further engagement requirements. *Achieved*
- Undertake risk assessments across logistics carriers. *On-going*
- Roll-out to all suppliers new Supplier Code Of Conduct. *Own Label Suppliers Only On-going*
- Design and implement new on-boarding process and documentation suite for new own-brand suppliers. *On-going*

Planned Activities For Financial Year 2022–2023

In response to the ongoing risks of Modern Slavery we continue to identify key priorities to manage and mitigate to Modern Slavery risks in our operations and supply chain.

Approach for 2022–2023

Our approach in 2022–2023 is to review, maintain and improve activities and processes previously implemented. We have analyzed the 3 key areas of Internal, External and Process Improvement requirements and activities.

Internal

- Re-run modern slavery awareness training for all staff. Evaluate the implementation of on-line modules to support.
- Establish a dedicated CSR working group to assess current CSR status and develop a CSR integrated strategic plan.

External

- Increase visibility of modern slavery risk or abuse by improving own-brand supplier questionnaire and declaration compliance to 100%.
- Engage with non-reporting smaller wholesale suppliers to self report utilizing our supplier questionnaire and declaration process to identify modern slavery risks.
- Engage ETA to conduct independent audits of our 3 largest (Volume) own-brand suppliers.

Process Improvements

- Continue to implement robust due diligence on working conditions in factories through more detailed supplier questionnaires and annual supplier declarations.
- Undertake risk assessments across logistics carriers.
- Roll-out to all suppliers new Supplier Code Of Conduct.
- Design and implement new on-boarding process and documentation suite for new own-brand suppliers.

Appendix

This Modern Slavery Statement was prepared in accordance with the mandatory reporting criteria set out in the Modern Slavery Act 2018

Mandatory criteria	Mandatory criteria	Page Numbers
1. Identify the reporting entity	1. Contents	02
2. Describe its structure, operations and supply chains	2. Our Structure, Operations & Supply Chain	04 - 05
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity any entities the reporting entity owns or controls.	3. Identifying & Addressing Risks In Our Operations & Supply Chain	06-10
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.	4. Our Actions to Assess & Mitigate Modern Slavery Risks In Our Operations & Supply Chain	06-10
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.	5. Evaluating The Effectiveness Of Our Actions	10
6. Describe the process of consultation with any entities the reporting entity owns or controls.	6. N/A no controlled or owned entities	N/A
7. Provide any other relevant plans.	7. Update on Commitments Planned Activities FY 2022-2023	11 - 12