

A man with short dark hair and a light beard, wearing a blue polo shirt, is shown in profile from the chest up. He is looking towards a white front-loading washing machine. His right hand is on the control panel, touching a digital display that shows '2:37'. The background is a kitchen counter with a white sink and a yellow object. The overall lighting is bright and clean.

W WINNING GROUP

MODERN SLAVERY STATEMENT

2021

legendary service

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1. Message from the CEO

Winning Group is a fourth-generation, century-old family business that has a mission to create the best experiences in the world, for the world - for our customers, for our people, our communities and the planet. As such, respect and care for human rights is deeply embedded into our business and we have welcomed the introduction of the Modern Slavery Act to improve our businesses capability, to understand the complex issue of modern slavery and to take steps to mitigate the risk.

The purpose of this statement is not only to meet our obligations under the Modern Slavery Act, but to also inform and educate our customers and partners on the issue of modern slavery. We want to take steps to ensure the goods and services we provide to our customers are free of modern slavery. This will hopefully bring change in how our customers make informed purchasing decisions.

The Global Slavery Index 2018 estimates that on any given day in 2016, there were 15,000 living in conditions of modern slavery in Australia, a prevalence of 0.6 victims of modern slavery for every thousand people in the country. Globally, an estimated 40.3 million people were living in modern slavery in 2016. This is clearly not a problem that only occurs in developing countries and global supply chains bring this issue closer to our shores. As a retail business relying on products that are manufactured or sourced from global supply chains, we have a duty to be aware of the risks and take responsibility to reduce them.

A key focus of our actions in FY21 has been on increasing our organisational capacity to implement improvements to responsible sourcing and enhancing management systems, and governance frameworks, to assist in reducing sustainability and human rights risks.

We invested in specialised skills and training to further our understanding of this complex issue. We have created cross-functional working groups to design effective tools and processes, to build our internal capability to execute a robust due diligence framework.

While we still have a long journey to complete in supply chain transparency and traceability, we believe that FY21 has been a year of significant improvements, and outcomes for our business and its entities.

We are excited to be part of this change and to tap into our innate potential to create a better world. We want to leave the world in a better place than we found it. We want to do better for our customers, our team members, our families, our suppliers, and the broader world in which we engage.



John Winning CEO

2. Our commitment

This Statement sets out our 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 Statement covers the activities of Winning Appliances Pty Limited (ABN 94 002 193 688), a company incorporated in Australia, and each of its related entities, including Appliances Online Pty Limited (ABN 19 151 833 546), Winning Services Pty Limited (ABN 34 152 213 039), Home Clearance Pty Limited (ABN 55 615 069 095) and Andoo Pty Limited (ABN 49 115 622 172) (collectively, the Winning Group) for the financial year commencing 1 July 2020 and ending 30 June 2021 (FY21 Statement Period).

3. Our structure, operations and supply chains

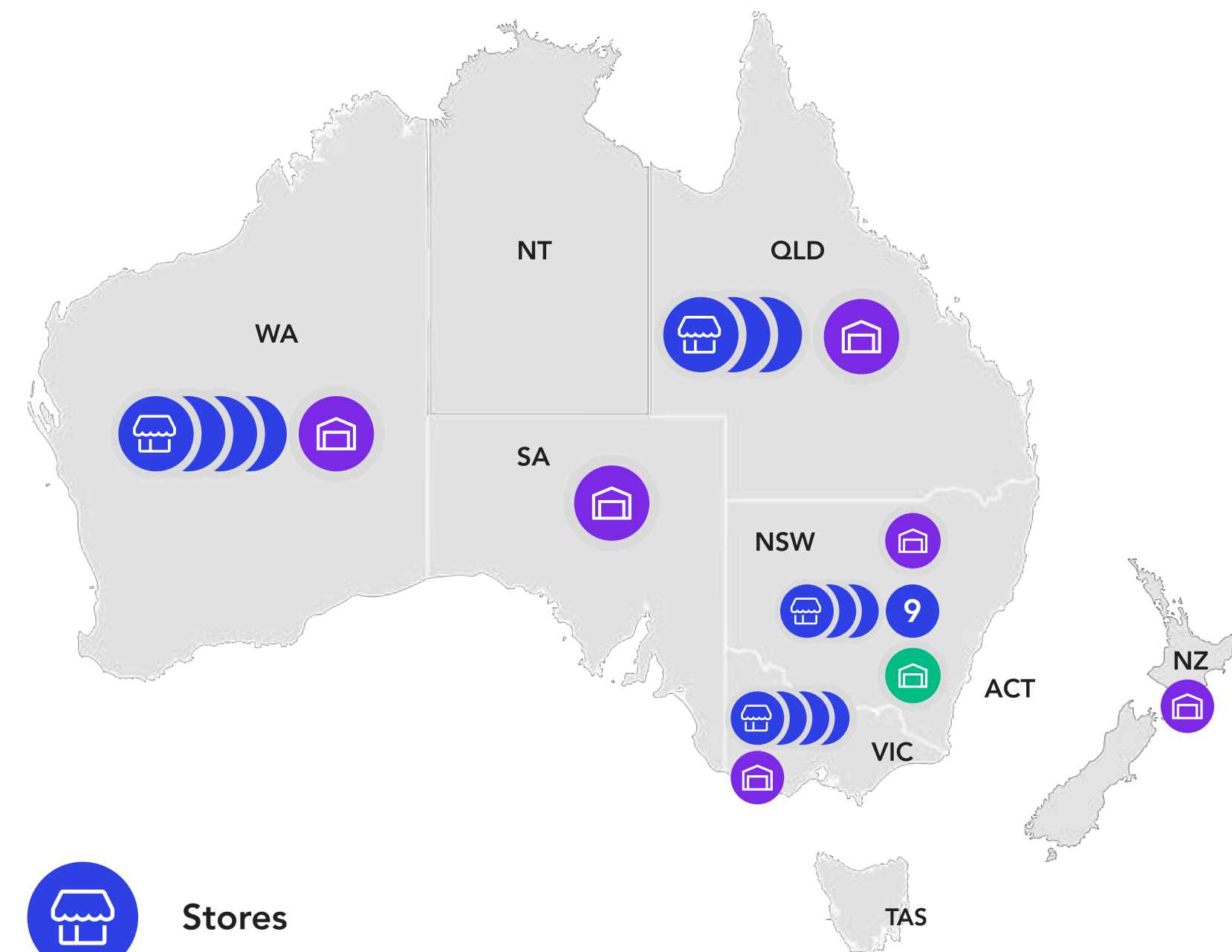
Established in 1906, Winning Group is a fourth-generation, family-owned retail business. In Australia during the FY21 Statement Period, the Winning Group operated 17 Winning Appliances showrooms across New South Wales, Victoria, ACT, Queensland and Western Australia, five major distribution centres located in New South Wales, Victoria, South Australia, Queensland and Western Australia and three online only retail businesses, including Australia's largest online retailer, Appliances Online. In FY21, the Group acquired Rogerseller, a bathroom fixture and fitting retailer. The Group also launched in New Zealand with a new entity, setting up an online only retail operation and distribution hub in Auckland.




Our head office and registered office is located at Level 2, 20A Danks Street, Waterloo NSW 2017 and, during the FY21 Statement Period, we employed over 800 people across our business including contractors. Our main business functions are marketing, sales, buying, operations, legal, finance, sustainability, technology, customer service and human resources.



Winning Group 01

The Group's operations across Australia and New Zealand



-  Stores
-  Warehouses
-  Head Office



For the purposes of this Statement, our key operating entities, operations and associated supply chains during the FY21 Statement Period were as follows:



Bricks and mortar retail showrooms of home appliances and related goods.	Online retailer of home appliances and related goods, such as fitness equipment and consumer electronics.	Online retailer of end of line and T2 home appliances and related goods.	3PL, logistics, transport, warehousing, storage of home appliances and related goods.	Online retailer of home appliances, furniture, mattresses and bedding.	Bricks and mortar retail showrooms of bathroom fixtures, tap ware, kitchens and related goods.
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Trade supply chain

Our trade supply chain consists of local and international brands. The categories of products include:

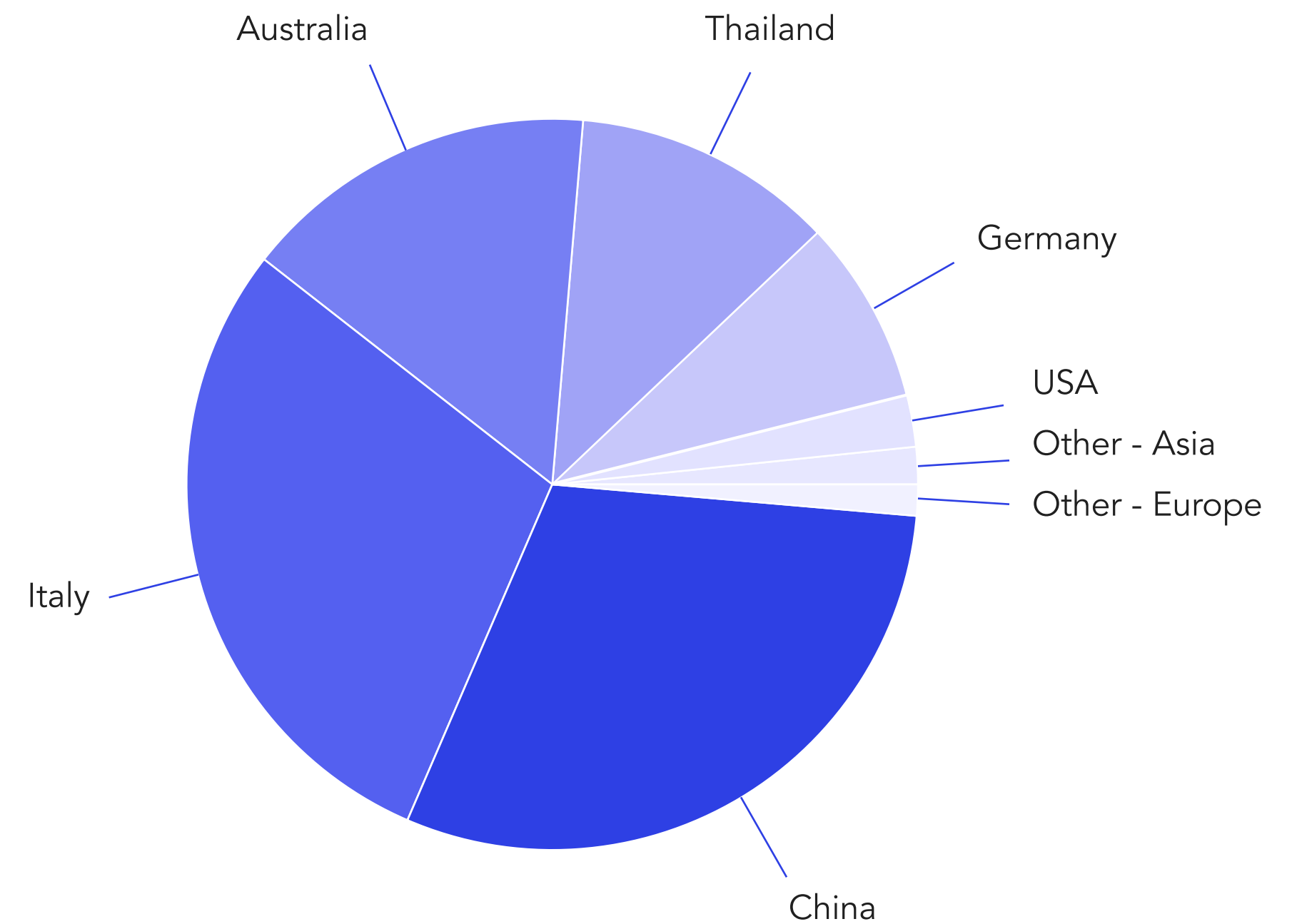
<p>Large home appliances including clothes washers, refrigerators, dishwashers, clothes dryers, ovens, stoves and cooktops.</p>	<p>Small household appliances including vacuums, floorcare, kettles, irons and cooking and baking appliances.</p>	<p>Audio visual and consumer electronics including smart home and security, televisions, speakers, home theatre, and headphones</p>
<p>Outdoor living appliances including barbeques, outdoor kitchens, bar fridges, camping and portable appliances.</p>	<p>Heating and cooling appliances including air conditioners, heaters, fans, air treatment, hot water systems, fireplaces and related accessories.</p>	<p>Bathroom furniture and fixtures including basins, toilets, showers, baths, tapware and accessories.</p>
<p>Furniture including lounges, chairs, accent chairs, beds, mattresses and home office furniture.</p>	<p>Fitness equipment including treadmills, exercise bikes, rowing machines, stair climbers and related accessories.</p>	

Structure of supply chain arrangements

We have a variety of supplier agreements in place, both exclusive and non-exclusive, long term and short term. Our supply chain arrangements are managed by the relevant commercial entities within the business and are overseen by Winning Group's internal legal department so that all relevant laws are complied with, including in particular, the MSA. While the risk of modern slavery for each supplier differs, our contractual arrangements with our suppliers at every stage of the supply chain include explicit provisions, warranties and obligations regarding modern slavery that the supplier must undertake. Winning Group places key emphasis on communication so that there is transparency and honesty about the supplier's products, sourcing and associated risk.

Supply chain mapping

An analysis of our trade supply chain showed us on a product level in which countries the majority of our products originate from. The top five countries of origin are China, Italy, Australia, Thailand and Germany.



Non-trade supply chain

Our non-trade supply chain consists of service providers and contractors across a range of industries including:

- Cleaning service providers
- Delivery and install contractors
- Forklift and equipment hire
- Utilities
- Waste and recycling service providers
- Uniforms and work attire
- Customer service repair agents
- Temporary labour hire
- Professional services and consulting
- Property rental
- Insurance
- Office consumables
- Technology



Delivery and install contractors 02

Governance for Modern Slavery

As a business we are continuously reviewing and improving our governance, to proactively mitigate risk and increase our organisational accountability. During the FY21 statement period, we recruited and contracted dedicated teams with experience in social responsibility, sustainable procurement, and sustainability in order to create a strategy and framework within which responsible sourcing is integrated, managed, and monitored. The newly established cross-functional Modern Slavery Committee, consisting of senior leadership representation from our legal, procurement, and sustainability teams, provides oversight and day-to-day governance. Ultimate accountability for human rights and ethics within our organisation sits with the Board of Directors.

4. Potential risks of modern slavery in our operations and supply chain

In FY21, we reviewed the potential risks of modern slavery across our operations and supply chains, by assessing our top 70 suppliers across 17 procurement categories. We considered the types of practices that constitute 'modern slavery' under the MSA and assessed to what extent we may be causing or contributing to, whether directly or indirectly, to modern slavery practices in our supply chain. We considered this in the context of the sectors we engage, the industry, the types of products and services we trade in and the geographic locations in which we trade.

Methodology

We engaged an independent third party to conduct a risk assessment of our supply chain and operations based on a social 'Life Cycle Assessment' approach, looking at inherent risks based on country of origin, industry, product, commodity and spend level.

The 'Life Cycle Assessment' approach also included an analysis of practices such as child labour, forced labour, excessive working time, exploitation of migrant labour, gender equality, legal systems and corruption issues using the following:

- Social Hotspots Database (SHDB)
- Global Slavery Index's Prevalence and Vulnerability data
- Child Rights Index and country due diligence response score
- Evidence of modern slavery issues cited in an extensive literature review
- Exiobase indicators on proportion of unskilled labour

The prevalence of these factors are key triggers related to risks of modern slavery. The data was then converted into a heatmap, showing the location of risk.

Good to know: Life Cycle Assessment (LCA) is an international, ISO-regulated framework to calculate social, economic and environmental impacts of products, services and organisations. What distinguishes the LCA from other impact assessment tools is the scope: indirect, embodied impacts are captured in the impact indicators, allowing to start with what organisations can see (operations) and then progress to upstream and downstream impacts. This is facilitated by tools and databases created by decades of global research and development. In this study, the Social Hotspot Database was used to identify indirect social risk of Winning Group's supply chain.

Category	Risk likelihood	Key risk factors
Bathroom furniture, accessories and tiles	● Very High	
Washbasins, bathtubs	● Very High	
Furniture	● Very High	Overseas supply chains of the extraction and the manufacturing of timber, metal, plastic, ceramic and leather products
Leather furniture	● Very High	
Bathroom furniture and accessories	● High	
Tapware	● High	
Appliances	● High	Overseas supply chains of raw material extraction and the manufacturing of electronics and metal products
Mattresses	● Medium	Overseas supply chains of raw material extraction and the manufacturing of textiles and metal products
Equipment hire such as forklifts	● Medium	Overseas supply chains of raw material extraction and the manufacturing of machinery, equipment and parts.
Delivery and install contractors	● Low	Unskilled labour of services such as transport and logistics
Temporary staff and labour hire	● Low	
Property rent expense	● Low	Subcontracted financial, administration, and business services, such as those involved in insurance, rent and advertising
Advertising	● Low	

Figure 1 Category Modern Slavery Risks

Operational risks

During the FY21 Statement Period, Winning Group has identified the potential risks of Modern Slavery in our Operations as low. We have robust recruitment and onboarding processes, which ensure we comply with all relevant laws. We also ensure that the process and onboarding experience of new team members meet our values and culture by having a dedicated "Team Experience" team to manage the process.

The majority of our recruitment is managed in-house, which provides us with more opportunity to directly control and govern the process. Additional policies that ensure clarity on behavioral expectations from our team include our Code of Conduct, Equal Employment Opportunity, Recruitment Policy and Whistleblower Policy.

Whilst the risk in our directly controlled operations is low, we understand that there is a risk of human rights issues in our operations due to the use of subcontracting of services including transport, logistics and cleaning, as well as services that may be sent offshore. These issues may include underpayment, indentured workers and exploitation of migrants in contracted and subcontracted services, such as transport and logistics.

We are able to mitigate this risk for our own logistics operation by: Ensuring that pre-contractual due diligence takes place for any contractors we wish to engage with, building into our agreements compliance with our Code of Conduct and all relevant legal requirements and facilitating relationships with the contractors, to foster communication and transparency so that these relationships continue long-term.



Winning operation 03

Supply chain risks

Almost 100% of our trade supply chain in the FY21 Statement Period was wholesale, which means that we have less control of risks in this supply chain, compared to supply chains with a high percentage of own label brands or direct import models. This also means that the likelihood of the Group directly causing or contributing to modern slavery practices are low. However, there are still risks that we may be linked to such practices, or contribute to such practices indirectly.

Based on the risk assessment of our top suppliers by procurement spend, we identified the potential risks of modern slavery in our supply chain as ranging between low, medium, high and very high.

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

- Underpayment, indentured workers and exploitation of migrants in contracted and subcontracted services such as overseas transport & logistics.
- Labour rights in business-related services and professional services that may be offshored.
- Labour rights and work health & safety in overseas supply chains of appliances and parts.
- Labour conditions and child labour in the supply chain of furniture, household products and other materials.
- Labour conditions and child labour in the supply chain of electronic manufactured goods such as appliances.

Examples of high supply chain risk in our industry

The timber industry workforce includes low-skilled workers at high risk of deceptive recruiting, debt bondage, forced labor, and unsafe and excessive working conditions from lack of PPE equipment and safety practices. Their situation regarding food and accommodation is also precarious. Workers are pushed into a situation of perpetual debt and may only leave once the debt has been paid. Escape is made difficult by fact that they are located far out of reach of any normal transport route and workers are constantly watched and threatened by armed employees, proof that workers are subjected to coercion and deprived of their freedom.

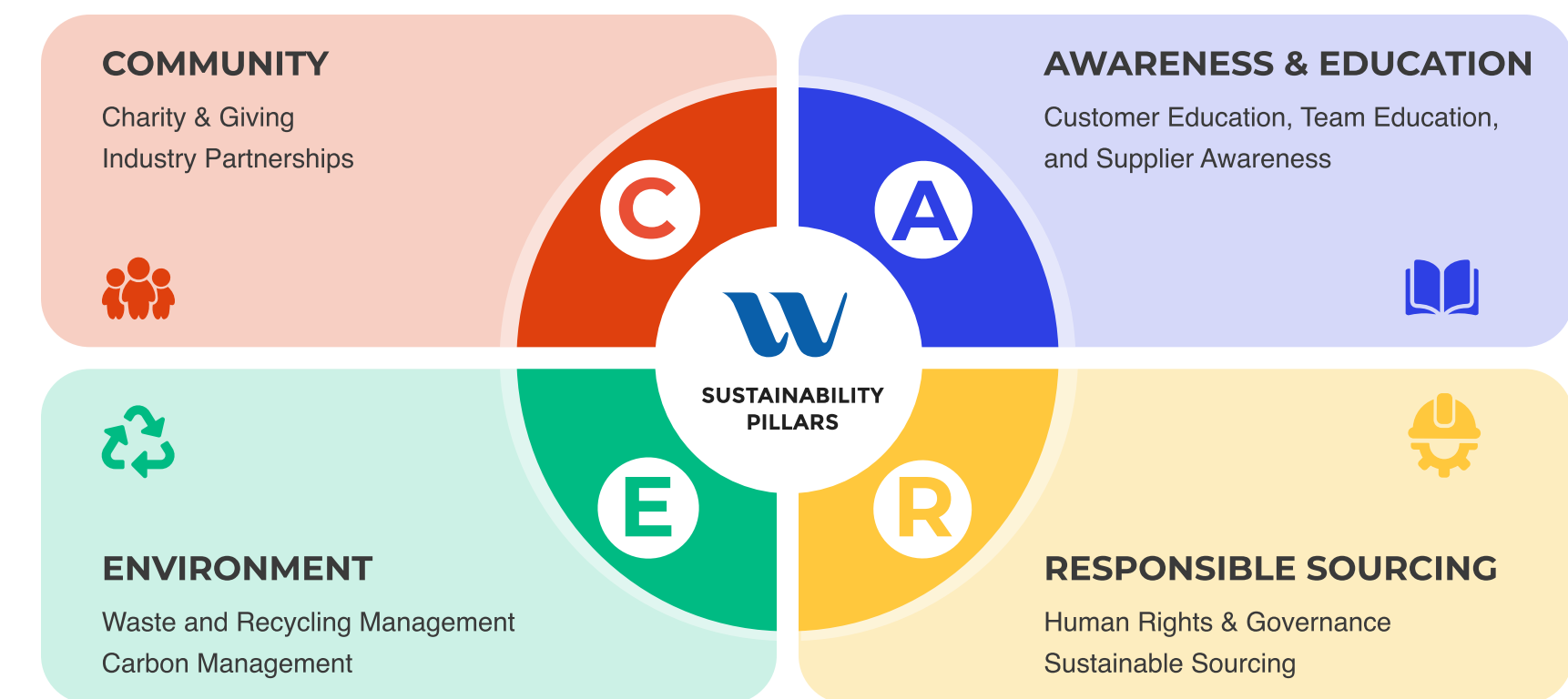
The electronic industry workforce includes low-skilled jobs and such as parts fabricators, surface treaters, assemblers, sorters, recyclers, packers, and loaders. The low-skilled electronics and electrical goods workforce is dominated by women and migrants, having a high risk of human trafficking, debt bondage, and unsafe working conditions from the use of hazardous materials.

The extractives, mining and basic metal production sector provides minerals and metals used in many supply chains including construction, automobiles, electronics, manufacturing and packaging.

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

Winning Group takes its responsibility to understand and reduce the environmental and social impacts of its business operation and supply chain very seriously. Over this reporting period, we have made significant progress in implementing policies and initiatives, to help assess and address, the risks of modern slavery in our operations and supply chain.

On the back of a year that started with bushfires and ended with a pandemic, the business is undertaking a major review of its corporate strategy and has positioned sustainability at the core of its decision-making, to facilitate a major transformation over the next ten years. Responsible sourcing with a focus on human rights, governance and sustainable sourcing has been incorporated as a core pillar of the sustainability strategy, with dedicated resourcing and investment.



Resourcing and appointment of responsibility

In the reporting period, we recruited and contracted dedicated teams with expertise in social responsibility, ethical procurement and sustainability, and appointed them with the operational responsibility of implementing and managing ethical and sustainable sourcing. This includes assessing and mitigating modern slavery risks through policy development, stakeholder engagement, risk assessment and due diligence. In addition, we have appointed a cross-functional Modern Slavery Committee consisting of senior leadership representation from legal, procurement, sustainability and the executive team. This group oversees the progress of our responsible sourcing roadmap and governs the implementation of our Modern Slavery Action Plan.

Responsible sourcing roadmap development

In FY21, an overarching responsible sourcing roadmap was developed with defined steps, milestones and outcomes including policies, governance, risk assessment and due diligence of modern slavery risks across our operations and supply chain.



Supplier Code of Conduct development

As a first step towards developing our responsible sourcing roadmap and to underpin our sustainability, governance and due diligence framework, it was important that as a business, we formulate our minimum expectations in terms of social and environmental responsibility and to clearly communicate them to suppliers and partners. We signaled our preference to collaborate with suppliers and partners, who recognise that social and environmental responsibility is a shared risk to manage and that it must be integrated to manage and minimise the impact of their business operations and supply chain. Furthermore, we will prioritise those businesses that seek to work towards greater transparency in our shared supply chains. Our Supplier Code of Conduct was developed in FY21 in consultation with our Modern Slavery Committee and specialists within the area of ethical procurement and sustainability. The purpose of this Supplier Code of Conduct is to outline our legal requirements and clearly communicate the expectations of our suppliers and business partners. Our policy was formulated with international recognised frameworks in mind, including the United Nations Guiding Principles of Human Rights, the Ethical Trade Initiative Base Code, the International Labour Organisation and the Responsible Business Alliance Code of Conduct.

Within our Supplier Code of Conduct, Winning Group outlines its zero tolerance position on all forms of modern slavery. The Code of Conduct covers minimum expectations and standards in relation to labour, health & safety, environment and ethics. For any suspected or known non-compliances we provide a direct line of communication to our in-house legal team as well as an anonymous reporting channel through our Whistleblower Hotline.

The Supplier Code of Conduct is referenced in supplier contracts and trading terms and applies to all suppliers to the Winning Group, including:

- Third party brands, such as distribution agents;
- Branded manufacturers;
- Operational suppliers;
- Suppliers to our own private label brands; and
- Service providers such as cleaning agencies and contractors.

The Supplier Code of Conduct was launched internally to our Buying Team in an engaging workshop before it was sent to all of our suppliers in June 2021.

Risk assessment and due diligence framework development

The category heat map established the 2021 baseline for category risk. By using an informed risk approach, we apply the principle of proportionality to assign internal effort in managing risk and undertaking enhanced due diligence. The risk likelihood score is used to give the spend categories a low, medium, high or very high rating of risk likelihood. This helps us to prioritise areas of spend concern and allows us to focus on priority issues and understand where risks lie across the organisation.

The Winning Group risk framework, which determines the subsequent due diligence process commences with the:

- Product category or service;
- Country of origin;
- Annual spend

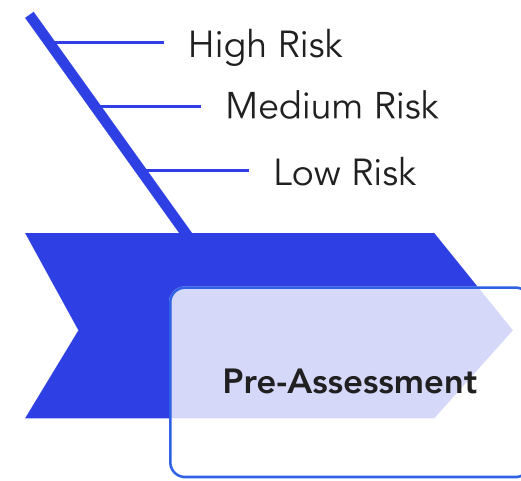
Case Study

The category heat map informed us of higher risks in the sourcing of furniture. Consequently, we enhanced our due diligence process for this part of our supply chain. As a result, we were able to identify non-compliances with fair work conditions with two factories that we were sourcing from. This resulted in an adjustment of our supplier engagement and the requirement of corrective action plans for any future engagement with these suppliers.

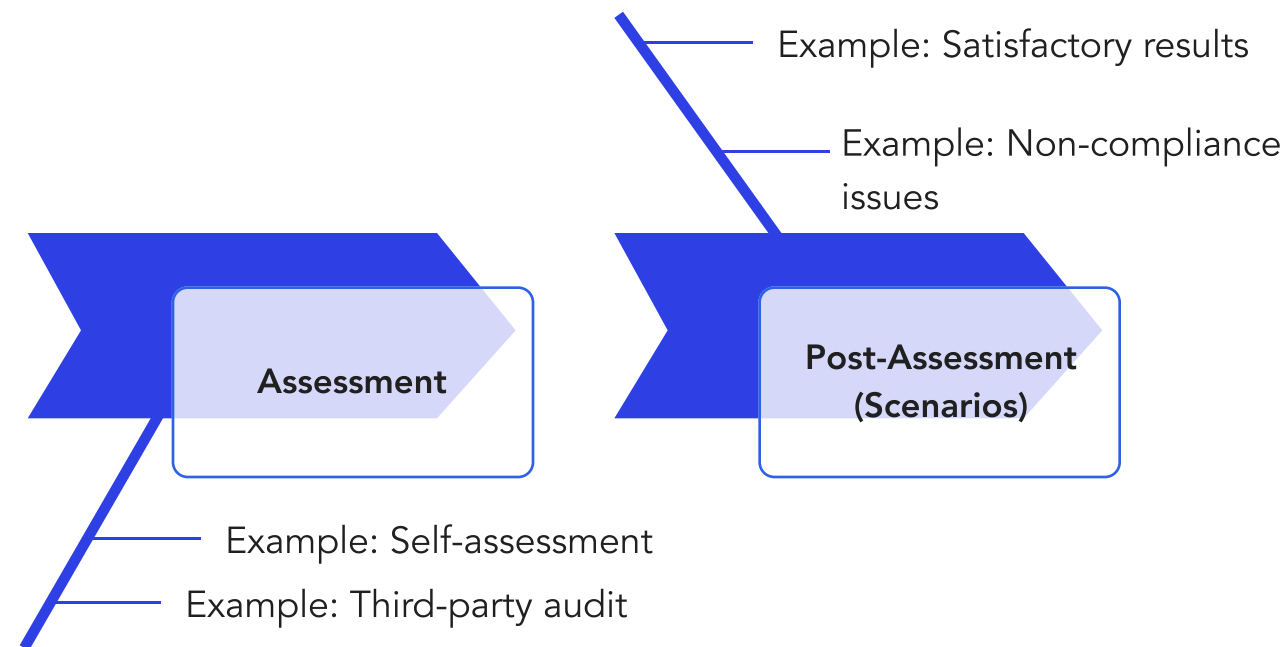
Due diligence

Following the initial supplier risk allocation (low, medium, high), the appropriate and repeatable due diligence process is followed.

Identify a supplier's overall risk level based on their category and country



Decide on a set of possible scenarios



Adopt an approach, appropriate to the identified risk level, to assess the supplier against the requirements of the Modern Slavery Act.

Tailored ongoing supplier engagement is informed by the information provided during the due diligence process. Where areas for improvement are identified, we will agree and establish time-based action plans to work together to achieve the shared outcomes.

Assessment

Following the determination of the supplier's overall risk (low, medium, high), the assessment hierarchy helps determine the type of due diligence approach appropriate for the supplier. There are three scenarios with clear steps, each building upon each other, to gather information and create a holistic assessment.

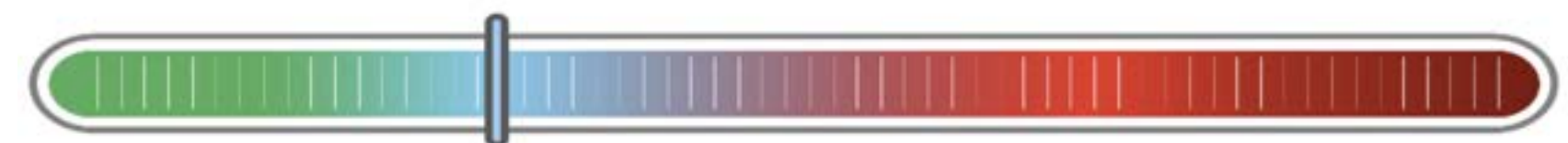
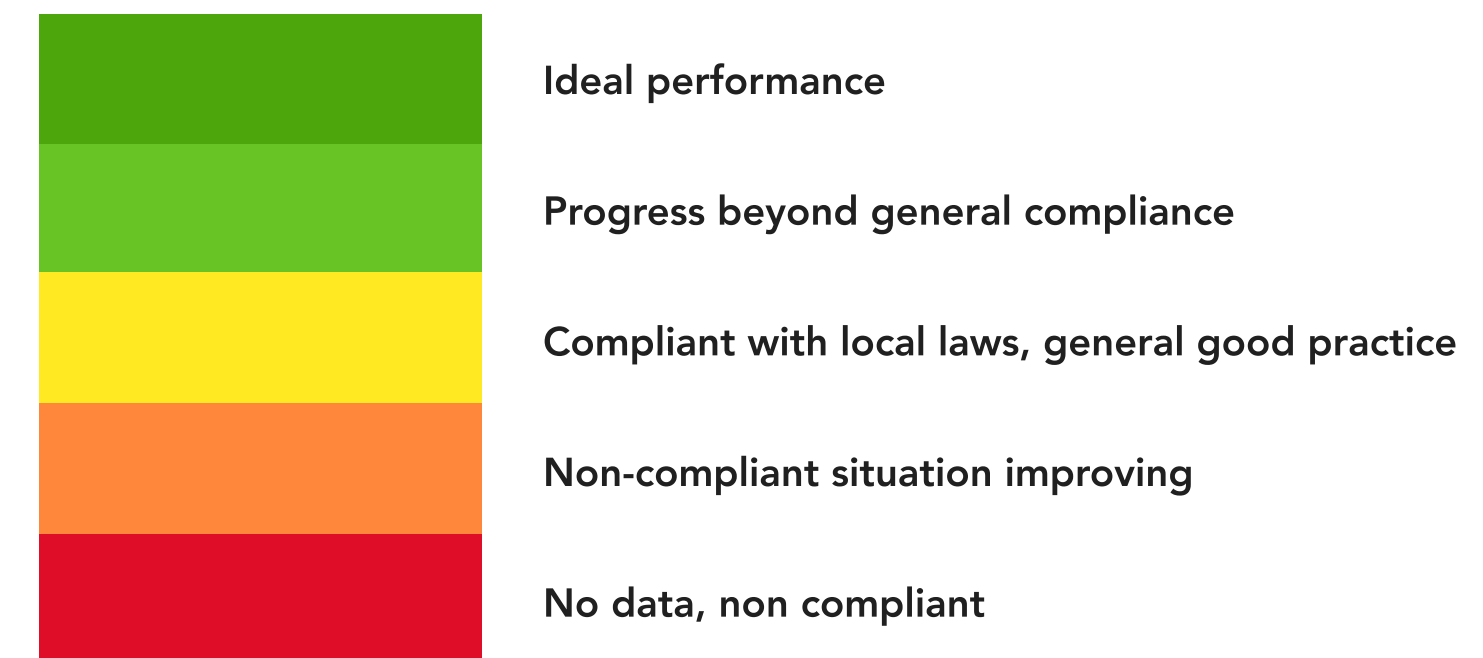


Development of Modern Slavery Self-Assessment Questionnaire (MS SAQ)

A critical component of our risk and due diligence approach is the comprehensive self-assessment questionnaire we developed to inform and engage with suppliers on this important issue and ascertain their capacity to identify, assess and manage risks within their own respective supply chains. The SAQ has been developed to build an understanding on the areas of:

- Modern slavery training,
- Supply chain management,
- Modern slavery risk assessment,
- Modern slavery governance,
- Recruitment of workers,
- Auditing, and
- Remediation.

The MS SAQ has been built to assess modern slavery risks across our entire supplier base and produce risk ratings ranging from:





Training academy 04

Internal training and awareness raising

In FY21, the Sustainability Team, together with our in-house training academy, developed a training portal with videos and additional training material on modern slavery. This included:

- What is Modern Slavery?
- Business and the requirements under the MSA.
- A deep dive into modern slavery and supply chains.
- A deep dive into potential modern slavery issues within the electronics supply chain.

The training modules were viewed by 40 team members across the functions of buying, sales, commercial, team experience, legal, product and sustainability.

Supplier engagement

To support our collaboration and engagement with suppliers, we developed introductory letters to outline our approach to sustainability and Supplier Code of Conduct. We launched those together with the MS SAQs in June 2021.

Joined the National Associated Retail Traders of Australia Modern Slavery Initiative

In January 2021, the National Associated Retail Traders of Australia (NARTA) introduced the Modern Slavery Initiative (MSI). This program was established to support how businesses review their supply chain practices in order to meet reporting requirements under the MSA. Its purpose is to create a collaborative environment between retailers and suppliers to uphold their collective social responsibilities.

A committee of retailer members including Winning Group have been involved in this partnership to develop best practice standards for the industry, as well as advocate for the protection of human rights. The Winning Group was proud to join the formation of this initiative and has worked with suppliers and other retailers to develop the NARTA MS SAQ.

Public communication and commitment

We are communicating our commitment to sustainability and responsible sourcing publicly via our website where we provide a link to our Sustainability Strategy, Supplier Code of Conduct and our Modern Slavery Statement in addition to outlining our commitment to human rights, governance and responsible sourcing.

Response to COVID-19

In response to the COVID-19 pandemic, the Winning Group has implemented steps to safeguard our team members, suppliers and customers.

Dedicated teams were established to ensure policies are actioned and that day-to-day operations continue in a COVID-safe environment. This includes the introduction of a Risk Committee, a COVID Risk Management Response Team tasked to identify and mitigate risks in the workplace, and employment of COVID Safety Marshalls to ensure that Personal Protective Equipment (PPE) is utilised and social distancing is maintained. Actions and policies put in place were in line with the current health guidelines relevant to each state and include:

- Social distancing measures in distribution centres, retail stores and during delivery.
- Provision of all relevant PPE for team members, including masks, face shields, gloves, hand sanitisers, and sanitising wipes for tools and equipment.
- Increased cleaning of distribution centres during and between shifts, with a particular focus on communal areas and amenities.
- Provision of rapid antigen and PCR testing when needed.

In addition, Winning Group implemented a company-wide vaccination mandate in November 2021 to ensure that all team members, including retail and head office staff, are protected against COVID-19.

As the pandemic situation continues to change, our policies continue to evolve.

Additional policies

Whistleblowing Policy - we actively encourage the reporting of any actual or suspected wrongdoing or any other issues that may affect team member wellbeing at work or that may be affecting the Group, its customers or suppliers, through our Speak Up/Whistleblower Policy. We recognise the importance of ensuring a safe, supporting and confidential environment where people feel confident to 'Speak Up' about wrongdoing and feel supported throughout the process. We have had no complaints come through this channel in FY21.

Code of Conduct - we expect the highest standards of ethics, integrity and behavior of our team members as set out in our Code of Conduct. This includes ensuring compliance with all laws applicable to employment including anti-discrimination, occupational work health and safety, anti-bribery and anti-corruption. Winning's expectations of ethical behavior are underpinned by our company values.

Equal Employment Opportunity - we believe that diversity of all kinds is required in order to achieve our Group mission of creating the best experiences in the world, for the world - for our customers, for our people, our communities and our planet. Our policy ensures that we have a team with diverse thoughts, cultures, backgrounds, life experiences and perspectives, and that reflect our customers own values. We have created an inclusive place to work, where everyone is treated with dignity and respect, and where all talent and skills are valued and have a voice in the room.

Recruitment Policy - we conduct checks on all prospective employees to verify that they are eligible to work in Australia, including criminal record checks. During the FY21 Statement Period, we hired additional internal recruiters to assist with the co-ordination of recruitment activities across the Group.

6. Assessing the effectiveness of our actions

The Winning Group reports to the Board monthly and as part of this we are tracking progress of our actions to prevent Modern Slavery and implement our Responsible Sourcing Roadmap.

As part of our Responsible Sourcing Roadmap, we developed metrics and expected outcomes of our actions to assess their effectiveness. We are conducting an annual evaluation of the outcomes achieved and, based on the learnings, will incorporate this into the following years actions, to ensure that we are continuously improving and that our actions have a demonstrated impact.

7. Our FY22 commitments

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

- Review and evaluation of supplier self-assessment questionnaire responses, including feedback on the evaluation outcome and recommended next steps where relevant.
- Implementing and actioning our due diligence framework.
- Modern Slavery Remediation Plan development.
- Increase collaboration with suppliers and other stakeholders to address modern slavery risks.
- Review our policies and frameworks for continuous improvement.

8. Process of consultation and approval

The related reporting entities covered by this joint statement have been consulted and informed of the reporting requirements of the MSA. The respective heads of each of the Winning Group business units meet regularly to discuss and consult on their individual obligations in relation to Modern Slavery, as well as the ways in which their units feed into the larger Winning Group operation. As Responsible Sourcing is at the heart of Winning Group's business and sustainability strategy, senior management of our marketing, sales, buying, operations, legal, finance, sustainability, technology, customer service and HR units have all collectively discussed and engaged with the MSA, and the ways in which Winning Group as a whole can make a positive impact on reducing the risk of Modern Slavery within our supply chains. The various training, information sessions, dissemination of MS SAQs, Supplier Code of Conduct and collaborative supplier engagement conducted by the various entities demonstrate the consultation that has been undertaken between the relevant reporting entities.

This statement was resolved as approved by the Board of Directors at a Meeting of the Board on 23.12.2021.



John R Winning
Director



John W Winning
Director



Amy E Cowper
Company Secretary