

This statement, pursuant to the Modern Slavery Act 2018 (Cth), describes the risks of modern slavery in the operations and supply chain of BBQSAM, including the Amart Furniture and Barbeques Galore businesses¹, and includes information about actions taken to address those risks for the financial year ended 26 June 2021.

Modern slavery includes trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruitment for labour or services; and the worst forms of child labour. BBQSAM is committed to limiting the risks of modern slavery, within its supply chains or through any other business relationship.

This statement, which is intended to meet the requirements of section 13 of the Modern Slavery Act 2018 (Cth), outlines the steps taken by BBQSAM during the past year to seek to minimise the risk of modern slavery occurring in its business and its supply chains.

Our structure, operations and supply chain

Amart Furniture

Amart Furniture is an Australian retailer of furniture, bedding and homewares. Amart Furniture employs over 1,000 team members around Australia at 67 stores, 4 distribution centres and the Store Support Centre at 41 Brickworks Place, Rochedale QLD 4123. In addition to physical stores, the company also operates an online store which offers home delivery to all areas of Australia, and a click and collect service through the store network.

Amart Furniture directly engages contractors for specific projects or specialist roles in the Store Support Centre from time to time, indirectly engages contractors through labour hire companies in our distribution centres, and engages drivers (both directly and indirectly) to deliver our products from port to customers via distribution centres and stores.

The majority of products sold across Amart Furniture's network are sourced from suppliers based overseas. Amart Furniture also purchases products from Australian based suppliers, which are produced within Australia from Australian and overseas sourced materials, or sourced directly from overseas. All products sourced directly by Amart Furniture from overseas suppliers originate from supply chains based in the Asia region, principally China, Vietnam and Malaysia, in order of volume.

Amart Furniture also procures a diverse range of goods and services in connection with its business operations at its retail stores, distribution centres and Store Support Centre including office supplies (IT equipment and stationery), cleaning and waste disposal services, store development services (store fit out) and other services (marketing, consultancy and professional services).

Barbeques Galore

Barbeques Galore Pty Ltd is an Australian retailer and wholesaler of Barbeques and Accessories, Outdoor Furniture, and Heating products, directly employing 479 people in the operation of its retail store network, and supply of domestic and international wholesale customers. All divisions of the company are coordinated and operated from the corporate head office located at A2/350-374 Parramatta Rd, Homebush West NSW 2140.

The operational areas of the business are as follows:

Retail store network

50 company owned stores, and 37 franchisees and licensees located across Australia. In addition to physical stores, the company also operates an online store which offers home delivery to all areas of Australia, and a click and collect service through the store network.

Domestic wholesale business

The Pricotech Leisure Brands subsidiary distributes products to a number of wholesale customers across Australia, shipping goods from distribution centres in Melbourne, Brisbane, Sydney and Perth.

Export business

Some of Barbeques Galore's exclusive products are exported to customers in a number of countries, including New Zealand, Thailand, Germany, Italy, and Israel. These products may either be dispatched directly from the company's contracted manufacturer in China, or from one of its Australian distribution centres.

Supply chain and distribution

A significant proportion of products sold across all divisions are sourced directly from overseas manufacturers and produced under the company's own brands. These products are predominantly sourced from China, Vietnam, and Indonesia. Other products are purchased from local distributors, manufacturers and wholesalers based in Australia. Most products are shipped from the country of origin directly to one of the company's distribution centres, located in Melbourne, Sydney, Brisbane or Perth. From these distribution centres, products are then shipped to the store or customer via a road transport contractor.

Our approach to modern slavery risks in our operations and supply chains

As the supply chains associated with BBQSAM's products are diverse and extend through various geographic locations, there is the potential for modern slavery risks to be present in these supply chains.

Amart Furniture

Risk Assessments

Risk assessments are conducted to determine which parts of the business are most at risk from modern slavery and so that efforts can be focused on the areas that are most 'at risk' and/or have low controls effectiveness.

Our risk assessments have shown that the majority of our domestic suppliers agreements include Modern Slavery Act provisions and our standard terms for trade with international suppliers require adherence with human and civil rights, child protection laws and specifically prohibit slavery, duress and deprivation of liberty.

Risk assessment measures in place include the following for our domestic and international product suppliers:

- Limited supply partners;
- Physical inspection of factories by Amart management;
- Requirements to invest in best in class worker safety and automation to remove any injury prone activities;
- Regular collaboration among supply chain for product and safety enhancement; and
- Regular reviews to ensure market prices are paid that encompass best practices.

Whistleblower Protection Policy

Amart Furniture has a Whistleblower Protection Policy which is intended to ensure that concerns regarding unethical or illegal practices, which includes modern slavery concerns, can be reported. For the purposes of the policy, reports can be made via an independently operated whistleblower hotline. Reports can be made anonymously, and our whistleblowing protection processes are intended to ensure that the anonymity of people making whistleblowing reports is protected as required by the Whistleblower Protection Act. Where issues are investigated and substantiated, Amart Furniture will take appropriate action.

Supplier Questionnaires

Amart Furniture has developed questionnaires to collect and assess information from all major suppliers in order to gain a proper understanding of the measures they have in place to ensure that modern slavery is not occurring within their own businesses and encouraging them to hold their own suppliers to the same standards.

We recognise the importance of assisting our suppliers and others in the supply chain to continually improve their practices. However, if suppliers are unable to demonstrate a commitment to comply with the Modern Slavery Act, we may cease dealing with that supplier.

Implementation of Modern Slavery Policy

During FY21, Amart Furniture established a Modern Slavery policy that sets out the minimum standards expected of Amart Furniture's suppliers in areas of labour, environment and governance matters.

Among other things, the Modern Slavery policy establishes minimum requirements that suppliers commit to, and we will continue to ensure that within our supply chain:

- all applicable laws and regulations are complied with and does not involve bribery or corruption in any form;
- policies and procedures are maintained to allow violations, misconduct or grievances to be reported by workers and addressed without fear of retaliation;
- all work is freely chosen without the use of forced or compulsory labour;
- a zero tolerance approach is taken to the use of illegal child labour; and
- workers' rights to lawfully and peacefully form or join trade unions of their choosing and to bargain collectively are respected.

Team Awareness

Amart's Modern Slavery Policy has been circulated within the business to ensure all team members are aware of Amart's commitment to upholding the minimum standards expected.

Barbeques Galore

The company engages a number of overseas manufacturers to produce products on its behalf. These arrangements are subject to increased risk of the following:

- Non-compliance with health and safety requirements, working hours, wages, forced labour, child labour and freedom of association; and
- Non-compliance with broader human rights including employee rights to equality, fair pay, safety and privacy.

Within the company's domestic operations, the following areas are also subject to increased levels of risk:

- Compliance with employment conditions, standards and workplace health and safety by independently owned and operated Franchisee and Licensee stores.
- Compliance with employment conditions, standards and workplace health and safety by transport and logistics service providers engaged by Barbeques Galore.

Implementation of Modern Slavery Policy

The company has implemented a Modern Slavery Policy in November 2020, outlining requirements for all employees, suppliers, directors, officers, agency workers, contractors, consultants or other third-party representatives engaged by the company. The policy outlines the company's approach to identifying, investigating and addressing any modern slavery practices, including the conduct of risk assessments, auditing, and completion of training for its employees in the identification of modern slavery practices.

Barbeques Galore expects that all who have, or seek, a relationship with Barbeques Galore to familiarise themselves with the company's Modern Slavery Policy and to act in a way that is consistent to its values. Barbeques Galore will

only do business with Suppliers who fully comply with its Modern Slavery Policy, or those who are taking verifiable steps towards compliance.

Additional audit requirements for overseas manufacturers

The company has introduced the requirement for overseas manufacturers engaged by the company to provide regular independent audit reports measuring the manufacturers compliance with BSCI or other equivalent internationally recognised audit frameworks.

As of June 30th, 2021, 85% of products sourced for the company's own brands are from suppliers who have provided current independent audits, which has increased from 74% at the same time last year. Of those which remain, the company is actively working to establish independent audit arrangements.

Training for key employees

Employees engaged to complete audits with third party logistics providers, or with Licensees and Franchisees also receive additional training each year to support the identification of non-compliance with employment conditions and workplace standards.

To increase awareness and support proactive identification of modern slavery risks within the company's supply chain, key employees who work with overseas factories have also completed additional training earlier in 2021.

Trade partner factory audit register

Copies of current independent audit reports from overseas manufacturers are maintained in a central file. Where a factory unable to meet the company's requirements or achieve an acceptable standard in the independent audit, the company will cease to do business with that overseas manufacturer.

The company has previously ceased purchasing from overseas factories where it could not be satisfied that these requirements would be met, however there were no such instances were recorded in the year to June 30th, 2021.

Company Whistleblower Policy

The company has a Whistleblower Policy which is intended to ensure that concerns regarding unethical or illegal practices, including modern slavery concerns, can be reported. These reports can be made via an independently operated Whistleblower hotline, and can be made anonymously. Whistleblowing protection processes are in place to ensure that the anonymity of people making whistleblowing reports, as required by the Whistleblower Protection Act. Where issues are investigated and substantiated, Barbeques Galore will take appropriate action.

Inclusion of Modern Slavery risks within the company's corporate risk register

Modern slavery risks are identified on the company's corporate risk register, providing additional oversight of the key risk areas and control measures by the company's senior executives and company directors. The risk register is periodically reviewed and updated, with any new risks or control measures set in place as required.

All subsidiaries of Barbeques Galore Pty Ltd are operated from the one head office location, functioning as a single entity. Therefore, any control measures, policy settings or auditing processes set in place apply consistently across all subsidiaries and divisions of the company.

Conclusion

BBQSAM acknowledges the importance of seeking to ensure that modern slavery is eliminated from our supply chains and we understand the role we can play in achieving that. The steps we have undertaken are the beginning of our efforts in this area. We are committed to the ongoing delivery of our initiatives and working with our stakeholders to contribute to the elimination of modern slavery. This statement was approved by the Board of BBQSAM Holdings Pty Ltd and prepared in consultation with the Amart Furniture Pty Ltd and Barbeques Galore Pty Ltd management team.



Lee Chadwick

Director

DATE 24 December 2021

1. BBQSAM Holdings Pty Ltd (ABN 41 159 613 706) and its wholly owned subsidiaries. This joint statement covers the entire group (for Financial Year 1st July 2020 to 30 June 2021), including namely Amart Furniture Pty Ltd and Barbeques Galore Pty Ltd its wholly owned subsidiaries. The statement for Barbeques Galore covers the July 2020 to November 2020 period, as on 20 November BBQSAM Holdings divested that business.