



JB Hi-Fi Group Ethical Sourcing Policy

1. Introduction

The JB Hi-Fi Group (referred to in this Policy as 'JB Hi-Fi' and consisting of JB Hi-Fi, The Good Guys and JB Hi-Fi Solutions and The Good Guys Commercial businesses) is committed to sourcing its products and services in an ethical and sustainable manner, and in doing so ensuring minimum standards concerning labour, health and safety, environmental management and ethics are applied and maintained across its supply chain.

2. Purpose and application

The purpose of this Ethical Sourcing Policy is to outline JB Hi-Fi's minimum requirements and expectations of its suppliers.

A supplier is defined as any individual, company or entity that sells or seeks to sell or provide a product or service to JB Hi-Fi Group.

JB Hi-Fi recognises and supports the Universal Declaration of Human Rights. Our minimum standards are aligned with internationally recognised frameworks, including the United Nations Guiding Principles on Business and Human Rights, the Ethical Trading Initiative (ETI) Base Code, the International Labour Organisation (ILO) fundamental conventions concerning rights at work, and the Responsible Business Alliance Code of Conduct.

The application of these minimum standards may vary between suppliers depending on the nature of their business. JB Hi-Fi recognises that some suppliers may need to work toward compliance with the standards set forth by this Policy. We encourage and support continuous improvement and will work with suppliers in achieving compliance with this Policy within an agreed time frame. If suppliers are not able to commit to working toward and maintaining compliance with JB Hi-Fi's Ethical Sourcing Policy, JB Hi-Fi reserves the right to terminate the trading agreement with a supplier.

JB Hi-Fi may request suppliers to provide information related to this Policy and may request access to audit a supplier's site for the purpose of assessing compliance with this Policy. Suppliers must be willing to work with JB Hi-Fi and/or its auditors when such a request is made.

JB Hi-Fi expects suppliers to comply with all laws and regulations applicable in the countries in which a supplier operates. Where the content of this Policy conflicts with applicable laws and regulations, a supplier should adopt a position that affords the greatest level of protection.

Suppliers are encouraged to communicate this code through their supply chain.

Approved by the Board of JB Hi-Fi Limited 25 July 2019

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3. Minimum Standards:

LABOUR

Employment freely chosen

- Forced, bonded (including debt bondage), involuntary labour and human trafficking in all its forms is prohibited
- The use of deception, threats, fraud, abduction and/or force coercion in the recruiting, transporting, harbouring or receiving of workers is prohibited
- Freedom of movement is respected and shall not be restricted through the withholding of a worker's property (including but not limited to passports, licenses or monetary deposits)
- Workers are free to cease employment after providing reasonable notice

Young workers

- The use of child labour is prohibited. The term 'child' refers to a person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment according to local law (whichever is the greater)
- Young workers under the age of 18 shall be provided with adequate training and supervision, and not perform work that may be harmful to their physical and mental development
- The right to education for young workers shall be respected in accordance with local laws
- The age of all young workers should be verified, prior to their employment

Working hours are not excessive

- Working hours must comply with all applicable laws and regulations
- Suppliers must maintain a complete and accurate record of hours worked
- Working hours, including overtime, shall not exceed the maximum number of hours permissible under applicable laws and regulations
- Overtime is voluntary, must not be excessive (i.e. above 60 hours) or recurring, and shall be used responsibly, considering worker health and well-being

Wages and benefits

- Payment of wages and other benefits must comply with applicable laws
- Work performed will be subject to a lawful employment contract / industrial instrument (as applicable)
- All workers must be provided with written information (in a language they understand) relating to their employment contract / industrial instrument (as applicable), as well as information about remittance of wages and benefits for each pay period
- Recruitment and other related fees should be paid by the hiring company and not passed on to workers. Where it is found that such fees have been paid by workers, they must be reimbursed directly to the affected worker within a reasonable time frame
- Deductions from wages as a disciplinary measure are not permitted
- Suppliers must not avoid their statutory obligations under labour or social security laws, through the use of sub-contracting or alternative employment agreements
- Suppliers must have policies and procedures in place to ensure sub-contractors operate in accordance with applicable laws, regulations and JB Hi-Fi's Ethical Sourcing Policy

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No discrimination

- All workers should be treated with respect and dignity, and must not be subject to discrimination and harassment in any form, including (but not limited to) discrimination based on race, nationality, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation
- Reasonable accommodation for religious practices is to be provided
- Policies and disciplinary procedures regarding discrimination and harassment must be maintained and provided to workers
- Workers must have access to support and protection, if they are subject to discrimination

No harsh or inhumane treatment

- All forms of intimidation, bullying, abuse or equivalent threats (physical, emotional, sexual or otherwise) are strictly prohibited
- Policies and disciplinary procedures regarding harsh or inhumane treatment must be maintained and provided to workers
- Workers must have access to support and protection, if they are subject to harsh or inhumane treatment, inclusive of bullying

Freedom of association and right to collective bargaining

- Subject to applicable law, the right of workers to join or form trade unions of their own choosing and to undertake collective bargaining, shall be respected
- Subject to applicable law, union representatives and workers shall be able to carry out union-related activities in the workplace and openly discuss concerns regarding working conditions and management practices, without fear of retaliation or detrimental treatment

HEALTH AND SAFETY

Occupational Safety

- A safe and hygienic working environment shall always be provided, with due consideration given to (but not limited to) controlling and mitigating risks associated with occupational hazards
- All hazards in the working environment should be identified, with clear instructions issued promptly to minimise the risk of injury

Emergency preparedness

- Adequate plans and procedures shall exist to preserve the health and safety of workers in the event of an unplanned emergency incident occurring
- Emergency plans and procedures are to be reviewed and tested on a regular basis

Occupational injury and illness

- Policies and processes must be implemented to minimise, manage, investigate and report occupational injuries and illness
- In accordance with local laws, workers shall be provided with the necessary medical treatment and rehabilitation services to facilitate return to work



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Industrial hygiene

- Worker exposure to potentially hazardous chemical or biological materials shall be identified and limited, with the risks of exposure mitigated in a timely manner to avoid worker injury
- Workers shall be provided with adequate protective clothing to limit the risk of exposure to potentially hazardous materials
- Training on how to identify and limit exposure shall be provided to all relevant employees whom may come into contact with potentially hazardous materials

Physically demanding work

- The risks of injury relating to physically demanding work (including but not limited to heavy lifting, repetitive manual handling, prolonged standing and high impact tasks) shall be identified and mitigated
- The impact of physically demanding work on worker health shall be evaluated on a regular basis, with appropriate action taken to avoid and/or minimise any adverse health outcomes
- Reasonable steps shall be taken to protect pregnant women and nursing mothers from physically demanding work and hazardous working environments

Machine safeguarding

- Production and other machinery shall be subject to periodic evaluations for effectiveness of operation, safety hazards and continued safety of use
- Where safety hazards in machinery are identified, all impacted staff shall be notified, with relevant remediation (such as, but not limited to barriers, instructions and physical protections) put in place to eliminate or minimise the risk of injury

Sanitation, food and housing

- Access to safe and clean toilet facilities, potable water, and, if appropriate, sanitary facilities for food storage, preparation and consumption shall be provided
- Accommodation, where provided, shall be clean and safe and meet the basic needs of all workers

Health and safety communication

- All workers shall receive regular health and safety training (inclusive of training on emergency procedures), in a language understood by the recipient
- Records of the training and worker attendance must be maintained

ENVIRONMENTAL MANAGEMENT

Environmental permits and reporting

- Compliance with all applicable environmental laws, regulations, and licences must be maintained
- Suppliers must have an understanding of the environmental impact of its business, and community expectations regarding the impact
- Suppliers must act responsibly and take reasonable steps to prevent and/or remediate any significant environmental harm

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Pollution prevention and resource reduction

- Sufficient and appropriate systems and processes to minimise the discharge of pollutants into the environment, from a supplier's operations must be maintained
- Opportunities to reduce the consumption of finite natural resources including (but not limited to) water, fossil fuels, minerals and virgin forests, and increase the use of renewable and recyclable resources shall be pursued and implemented where feasible

Hazardous substances

- A systematic process to responsibly manage the use, storage, transportation and disposal of hazardous substances, must be implemented to minimise adverse human and environmental impact and ensure compliance with applicable laws and regulations

Solid waste

- A systematic approach shall be adopted to identify, manage, reduce, responsibly dispose of, and recycle solid (non-hazardous) waste

Air emissions

- Harmful air emissions, with potential to cause adverse environmental and/or human impact must be identified, routinely monitored, controlled and treated prior to discharge
- Suppliers shall conduct routine monitoring of the performance of its air emission control systems

Material restrictions

- Suppliers must adhere to all applicable laws and regulations with respect to the use of harmful, prohibited or restricted substances in the production process

Water management

- Sufficient and appropriate water management systems and practices must be maintained, to ensure water is conserved where possible, and waste water managed and treated appropriately prior to being disposed of responsibly
- Suppliers must conduct periodic evaluation of the performance of its waste water treatment and containment systems to ensure compliance with relevant regulations

Energy consumption and greenhouse gas emissions

- Greenhouse gas emissions are to be measured and monitored
- Suppliers are to look for cost effective methods to improve energy efficiency and to minimise their energy consumption and greenhouse gas emissions

ETHICS

Business integrity

- Compliance with all applicable laws relating to conduct of business, including (but not limited to) privacy, anti-bribery, false, misleading and unconscionable conduct must be maintained
- Act with high standards of honesty and integrity at all times
- All forms of bribery, corruption, extortion and embezzlement are prohibited
- Identify, disclose and manage any adverse impacts arising from conflicts of interest



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No improper advantage

- Any means (such as, but not limited to the giving or receiving of significant gifts or items of value) intended to establish an improper advantage, shall be prohibited
- The giving or accepting of gifts that have the potential to create an actual or perceived improper advantage, shall be reviewed by management
- All business activities must be compliant with applicable anti-corruption rules and regulations

Disclosure of information

- Suppliers must comply with all applicable laws and regulations pertaining to the disclosure of their financial position, performance and any relevant business dealings

Intellectual property

- Rights to intellectual property shall be respected and protected where applicable, with all relevant laws and regulations complied with

Fair business, advertising, competition

- Conduct of business by suppliers, including (but not limited to) advertising and competition, must be undertaken in accordance with applicable laws and regulations

Access to grievance mechanisms and protection of identity and non-retaliation

- Workers should have access to a grievance mechanism through which complaints can be made, investigated and resolved in a fair and equitable manner
- Policies and procedures enabling workers to confidentially communicate concerns relating to non-compliance with this Policy shall be in put place and communicated to workers, with an avenue for anonymous disclosure and protection against detrimental treatment provided

Responsible sourcing of natural resources

- Suppliers shall exercise due diligence when sourcing raw minerals to minimise the risk of sourcing such materials from jurisdictions and suppliers connected with human rights and/or environmental abuses

Privacy

- All personal and sensitive information must be treated and protected in accordance with relevant Privacy laws and regulations.

MANAGEMENT SYSTEMS

- Responsibility and accountability for compliance with this Policy shall be assigned to a member of the executive management team or their delegate
- Organisational systems, policies and procedures to assess, remediate and monitor non-compliance with this Policy should be in place, and tested regularly for adequacy and effectiveness



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4. Reporting Non-Compliance with this Policy to JB Hi-Fi

If you have any questions arising from this Policy or wish to inform JB Hi-Fi of any known or suspected issues of non-compliance with this Policy, please contact: ethicalsourcing@jbhifi.com.au or Phone: +613 8530 7927.

Persons are also able to submit reports anonymously through one of JB Hi-Fi's designated Whistleblower channels: Stopline (From overseas: +613 9811 3275, within Australia: 1300 30 45 50 or within New Zealand: 0800 42 50 08. Email: jbhifi@stopline.com.au) or Your Call (Within Australia: 1800 940 379. Email: tgg@yourcall.com.au).

Further information relating to JB Hi-Fi's grievance mechanisms and protections can be found within our Reportable Misconduct and Whistleblower Policy, which is accessible through JB Hi-Fi's investor website <https://investors.jbhifi.com.au/wp-content/uploads/2019/10/JB-Hi-Fi-Group-Ethical-Sourcing-Policy.pdf>