

FISHER & PAYKEL

Statement made pursuant to the *Modern Slavery Act 2015 (UK)*

This statement is made on behalf of Fisher & Paykel Appliances Limited (UK) and its subsidiaries (**we, us** or **our**).

This statement is made pursuant to the *Modern Slavery Act 2015 (UK)* and constitutes our slavery and human trafficking statement for the financial year ended 31 December 2020.

We are committed to improving our practices to combat slavery and human trafficking in our supply chains and within our own business. A description of the steps that we have taken during the financial year ending 31 December 2020 against slavery and human trafficking in our business and supply chains follows.

1. Fisher & Paykel Appliances' business and structure

We are a part of the Fisher & Paykel Appliances Group (**Group**). The Group specialises in the design, manufacture, sale and after-sale service of whitegoods, components and spare parts and has over 4,000 employees globally. The Group's products include a full range of refrigeration, laundry, dishwashing and cooking appliances incorporating the Fisher & Paykel, DCS and Elba brands. The Group also markets and distributes Haier-branded product in Australia and New Zealand.

The Group commenced operation in New Zealand in 1934 and its international headquarters are in Auckland, New Zealand. The Group sells globally but with a particular focus on New Zealand, Australia, North America and Europe.

The Group's manufacturing sites are in Thailand, Mexico, China and Italy.

The Group is ultimately owned by Haier, which is domiciled in China.

The Group's business is organised into various business units across our markets including Product Development, Distribution, Marketing, Finance, Legal, People & Capability, Customer Experience, Quality, Design & Brand, Supply Chain, Procurement, Manufacturing, Digital, Information Technology and Fisher & Paykel Technologies (<https://www.fisherpaykeltechnologies.com/>).

We specialise in the sale of Fisher & Paykel-branded whitegoods and their installation and after-sales service in the United Kingdom. Our head office is in Swan Valley, Northampton. Further information about our UK business is available [here](#).

We sell to a wide variety of retail and commercial resellers. Our focus is on selling Fisher & Paykel branded appliances and spare parts and accessories for those appliances. The appliances we sell are made by the Group or on behalf of the Group by suppliers.

2. Our supply chains

We have a large and complex number of supply chains given the number of products that we sell and the global nature of the Group's business.

Our supply chains cover direct procurement items ranging from the finished goods and accessories and spare parts that we sell, through to all the other items needed to run our business like office equipment and consumables and IT equipment.

Indirect supply chains are also involved that contribute to our products and services like all the service providers we appoint to assist us with our sales endeavours – including site services at our premises and a variety of professional services.

3. Modern slavery risks in our operations and supply chains

We have considered the risks of modern slavery practices in our operations and supply chains and have determined that our level of risk in this context is likely moderate in keeping with businesses of our size, operations and scope. We recognise that as the Group is a large manufacturer of whitegoods and other electronics it may be more exposed to risk due to the higher general presence of modern slavery practices in these industries.

We believe that the main modern slavery risks applicable to our operations and supply chains include:

- The risk that the products and services we procure as part of our operations and supply chains are provided by suppliers who themselves, or indirectly, engage in modern slavery;
- The following high risk industries relevant to our, and the Group's, direct supply chains:
 - o Electronics, electrical component manufacturing
 - o Mining, extractives, basic metal production insofar as these industries contribute to our use of materials such as steel, wiring and other componentry
- The following high risk industries relevant to our, and the Group's, indirect supply chains:
 - o Transportation/warehousing
- The following high risk industries relevant to our, and the Group's, operations:
 - o Hospitality
 - o Operational/maintenance services including janitorial, laundry, security, grounds maintenance and waste management services

- Risk associated with some geographical locations of our operations and suppliers that are deemed to be higher risk than others due to prevalence of migrant/temporary labour forces used in that area
- The following specific higher risk areas present in our supply chains: castings, electrical items, motors, gas/water controls, logistics and site services.

4. Assessing our modern slavery risks

As part of our work to identify, assess and mitigate modern slavery risk, we relied on existing due diligence processes, procedures and systems to:

- identify, assess and monitor potential risk areas in our supply chains including the risk of slavery and human trafficking occurring in those supply chains; and
- protect whistle blowers.

For example, the Group carries out periodic assessments of suppliers and has due diligence processes in place for onboarding new suppliers. Assessments typically look at key direct suppliers and certain indirect suppliers supporting the Group's manufacturing activities, and focus on the following three key areas:

- (a) company attributes: features of the individual supplier company/group of supplier companies;
- (b) industry attributes: features of the larger industry that the supplier/supplier group works in; and
- (c) geographic risk profile: features of the particular jurisdiction(s) in which the supplier is located and using geographic risk indices to inform our model.

Site audit

The assessment of modern slavery risks in our operations and supply chains also included consideration of an "Extensive Factory Audit" (EFA) carried out in December 2020 in relation to the Group's Thailand manufacturing site. This site forms part of the supply chains relevant to our business. The two main audit areas were (a) quality (with a focus on dishwashing products); and (b) corporate responsibility. The audit was carried out by an independent third party service provider and the audit findings were positive.

5. Responding to our modern slavery risks

With the risks identified above in mind, we sought to address them by relying on existing approaches and mechanisms in the following manner in relation to the reporting period:

- **Supplier adherence to our values:** We have a Group-level Supplier Code of Conduct (**Supplier Code**) that the Group's suppliers are expected to read, understand and adhere to. The Supplier Code was updated in 2019 to align with recognised international standards, including but not limited to the Responsible Business Alliance Code of Conduct. It is due for review again in 2021.

As set out in the Supplier Code, corporate integrity, responsible product sourcing and the safety and wellbeing of workers across our global supply chain are of paramount importance to the Group. The Supplier Code establishes the minimum standards that must be met by any supplier that sells goods or services to, or does business with, the Group regarding:

- o suppliers' treatment of workers;
- o workplace safety;
- o the impact of suppliers' activities on the environment; and
- o suppliers' ethical business practices.

Suppliers are responsible for compliance with the Supplier Code throughout their operations and throughout their entire supply chains and must self-report any violations of the Supplier Code. Our standard supply contracts, for those of our suppliers who are party to these contracts, have clauses in them requiring suppliers to adhere to our Supplier Code.

The Group will work with suppliers to support these requirements, however the Group reserves the right to terminate its business relationship (including any purchase order(s) and purchase contracts) with suppliers if those suppliers or any of their partners fail to meet the requirements of the Supplier Code.

The Supplier Code of Conduct is available to view [here](#).

- **Our policies:** The Group-level Company Code of Conduct (**Code**) reflects the Group's commitment to acting ethically and with integrity in all its business relationships. The Code also sets out systems and controls that work to ensure that slavery and human trafficking are not taking place anywhere in the Group's business or supply chains.

As the Code states, high ethical standards are a prerequisite for delivering on the Group's objective to be a recognised leader in responsible business practices globally and an

'employer of choice'. Employees are expressly required to abide by the laws, rules and regulations of the countries in which the Group is operating.

Compliance with the Code is a condition of working for the Group. A summary of the Company Code of Conduct is available [here](#).

- **FairCall Service:** Suspected instances of wrongdoing or serious misconduct may either be reported to a senior Group staff member or externally (and anonymously) using the FairCall Service. The FairCall Service is managed by KPMG, an independent third party, on behalf of Fisher & Paykel and may be accessed by phone, internet, email, fax or post.
- **Awareness:** All staff are required to adhere to the Group's Code of Conduct as a condition of their employment. When staff commence employment they are required to read and acknowledge the Code of Conduct and a copy is also available on the Group's intranet site at all times.

One of the online learning modules available for staff is entitled *Fisher & Paykel Ethics & Integrity in Business*. This module describes the different tools that the Group has in place to promote ethics and integrity and to avoid fraud and corruption in its business – including a focus on the Code.

Staff within the Global Procurement function have been provided with training on the scope and responsibilities which relate to supporting anti-modern slavery legislation.

Compliance with laws and policies is also monitored as part of the Group's existing risk management framework.

6. Our effectiveness in combating slavery and human trafficking

We continue to work through our options for addressing modern slavery risks in our business and supply chains and to refine them moving forward. The Group is also collaborating where possible with the wider Haier group of companies to recognise synergies in data, systems, and sustained governance over shared suppliers both in place and in development.

The following workstreams are also underway:

- investigating what an awareness program regarding the Supplier Code within the Group's business and with the Group's suppliers might look like;
- refining the Group's supplier qualification process ensuring supplier candidates undergo a thorough business evaluation including their ability for sustained compliance with the latest Supplier Code; and
- using third party service providers to establish and govern compliance with the Group's Supplier Code to supplement regional expertise within the Group's global supply chains, particularly given global travel restrictions resulting from Covid-19.

7. A further note on Covid-19

There continues to be uncertainties about the ongoing impacts of Covid-19 on future performance, taking into account that it is unknown when isolation or travel restrictions will be lifted in various countries. It is also unknown the long-term impact to supply chain and the sustainability of demand for the Group's products.

8. Approval

This statement was approved by the board of Fisher & Paykel Appliances Limited (UK) on 17 June 2021.

This statement is made pursuant to section 54(1) of the *Modern Slavery Act 2015* and constitutes our slavery and human trafficking statement for the financial year ended 31 December 2020.

A handwritten signature in black ink, appearing to read 'Daniel Witten-Hannah', written in a cursive style.

Daniel Witten-Hannah
Director

Fisher & Paykel Appliances Limited (UK)

Date: 17 June 2021