



MODERN SLAVERY STATEMENT

INTRODUCTION

This statement is made pursuant to the Commonwealth *Modern Slavery Act 2018* and constitutes Macmillan's Modern Slavery statement for the financial year ending 30 June 2025. For the purposes of this statement, Macmillan refers to reporting entities Pan Macmillan Australia Pty Ltd and Macmillan Publishers Australia Pty Ltd.

STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Pan Macmillan Australia Pty Ltd carries on the business of publishing books, in which the services of typesetting, printing, distribution, freight, shipping, IT and other office equipment suppliers, professional services and office facility services are utilised in the operations and supply chains. Currently, Macmillan Publishers Australia Pty Ltd (shelf company) has no identified operational supply chain risks in Australia.

IDENTIFYING AND ADDRESSING RISKS OF MODERN SLAVERY PRACTICES

The Macmillan Code of Conduct reflects our commitment to acting ethically and with integrity in all our business relationships. During the assessment process we analysed our risks of modern slavery and identified the following:

- Local third-party typesetting and distribution companies remain our lowest risk. We have developed close working relationships with these companies over many years and we have a large degree of oversight. Macmillan staff periodically visit these suppliers and conduct onsite reviews of working conditions, supplier workflow and staff interactions.
- Our highest risk is offshore printing in South East Asia, and in particular China. We have reviewed the Modern Slavery policies and audit reports of these offshore companies and confirm they are compliant with Australian Modern Slavery legislation, as well as with country specific laws and regulations prohibiting Modern Slavery. Our ANZ Production Manager conducts visits to our offshore printers and is able to verify onsite compliance.

Our objection to Modern Slavery is reaffirmed in the Macmillan Code of Ethics for Business Partners. It provides that our vendors, suppliers, agents and other business partners must conduct business ethically, honestly and with integrity. The Code requires that all workers are treated with dignity and respect, and prohibits any form of slavery, servitude, forced or compulsory labour, bonded labour, human trafficking, violence or coercion against labourers. Compliance with applicable minimum age and child labour laws is also specifically required.

Pan Macmillan participates in professional relationships with organisations that require detailed commitments from suppliers with respect to health and safety, labour standards, wages, discrimination and the environment. One of these organisations is The United Kingdom's Book Chain Project, is a collaboration of leading publishers from around the world who work together to drive social and environmental responsibility in product supply chains. We expect all our product suppliers to commit to working towards the standards set out in the Book Chain Project Supplier Code of Conduct and the Ethical Trading Initiative base code.

Further, we are a member of SEDEX, a data platform for supply chain assessment and management. SEDEX regularly conducts audits of Macmillan's suppliers using the Sedex Members Ethical Trade Audit (SMETA) measurement criteria. These audits report on the

processes used to manage labour standards at supplier sites, examining what controls are in place to ensure safe workplace conditions and that employment is freely chosen.

The most recent 2024 SMETA Audit of our key offshore printer, 1010 Printing International Ltd., verified that no forced or child labour was present at the site, with the youngest employee confirmed as 18, and that freely chosen employment policies were in place. Employees were paid hourly on a monthly cycle, with avenues such as worker committees, anonymous grievance reporting, and a suggestion box for raising concerns. Workers interviewed at random acknowledged timely wage payments and an agreeable work environment. Factory management also adhered closely to local law and safety regulations and conducted regular training to mitigate risks of forced labour, discrimination, and abuse. The audit reflected that employees received compensation above the national minimum wage, were paid 150% for overtime on regular days, and 200% on rest days. However, a concern raised in the audit was excess overtime. Workers adhered to legal overtime limits daily but still exceeded monthly statutory limits, with 124 out of 126 employees working beyond 36 overtime hours a month. 1010 indicated they plan to address this later this year but haven't as yet actioned for this reporting period.

Meanwhile, the SMETA audit in 2025 of another major supplier, Hangtai Printing, had similar policies in place to prevent forced labour. Employees, all above 18, were salaried monthly and worked within a structured overtime system while being provided training on local laws and employee rights. Hangtai management maintained a 'No Harsh or Inhumane Treatment Policy,' and the factory had set up a workers' committee for collective representation, though no grievances were filed over the past year. The audit reaffirmed that wages were above the legal minimum, with additional living-wage calculations and night-shift bonuses awarded where applicable. However, excessive overtime also remained an issue. In April 2025, it was noted that the monthly overtime hours of 25 out of 26 randomly selected workers exceeded 36 hours, with the highest at 65 hours. Auditors have provided a Corrective Action Plan Report (CAPR) to Hangtai to address this issue.

Another key printing supplier for Pan Macmillan is Imago Group. At Imago, newly hired employees are introduced to their Anti-Slavery Policy during induction, and existing employees receive regular reminders and training to identify slavery within the workplace and supply chain. To ensure supplier compliance, members of the Imago team visit new suppliers and use a checklist to identify any potential concerns. These suppliers must complete a self-assessment questionnaire and share any relevant accreditations or certifications. In regions deemed high-risk, Imago mandates annual social audits, including SMETA and similar assessments, to maintain standards. Suppliers are required to submit their annual audit reports to the Imago compliance team, who assess and document the findings. Additionally, Imago extends its commitment to ethical practices by participating in the Book Chain Project.

DUE DILIGENCE AND REMEDIATION PROCESSES

As part of our commitment to identifying and mitigating the risk of Modern Slavery in our supply chains, Macmillan uses a group-wide Supplier Information Management tool to assess our supply partners in respect of Modern Slavery and other risks. Macmillan has informed various staff in finance and procurement areas about the risks that Macmillan seeks to identify and mitigate. This current due diligence process also provides us an opportunity to remind suppliers of our values and ethical standards. New suppliers are only appointed after a risk assessment has been performed.

Before entering into a business relationship with a vendor, relationship managers will complete our internal Compliance New Vendor Form. We previously used GAN to review new vendors, but we are currently transitioning to an upgraded screening system run by our holding company.

Separately, we use an observation checklist for business staff to guide their evaluation of onsite conditions during supplier visits. The periodic reviews of onsite conditions are supplementary to the audits conducted by SEDEX.

SUPPLIER ADHERENCE TO OUR VALUES AND ETHICS

Our Code of Ethics for Business Partners forms part of our contract with all suppliers and they are required to confirm that no part of their business operations contradicts this policy. As we onboard suppliers to our Supplier Information Management tool, each is provided a link to the Macmillan Code of Ethics and are required to affirm compliance to the Code or an equivalent set of principles. Other recent and current examples of where we have monitored supplier adherence to our values and ethics are as follows:

- Between May and July 2025, our Legal, Sustainability and Compliance Teams completed several Corporate Social Responsibility Directive (CSRD) reports for our UK governance committee. These reports reflected on recent, current and ongoing efforts to comply with our core values and ethics both internally and for suppliers in terms of business conduct and sustainability.
- Certification verification is used to regularly verify that suppliers hold valid certifications such as ISO 14001. This involves requiring suppliers to provide up-to-date certification documentation and by using certification bodies to confirm the authenticity and current status of these certificates.
- Our Production department ensures all paper is FSC-certified or high grade. Most local printing is managed by IVE, who handles our paper purchasing, eliminating the need for us to maintain a direct paper stock.

By executing these actions, Pan Macmillan can systematically ensure that suppliers remain aligned with Pan Macmillan's sustainability values and commitments. Every quarter, we monitor the pool of suppliers and keep track of their audit expiry date with follow ups to address CAPR.

CONSULTATION PROCESS AND EFFECTIVENESS OF ACTIONS

Pan Macmillan evaluates the effectiveness of its actions against modern slavery risks through consistent monitoring of data from SEDEX, EthicsPoint, and GAN, complemented by annual offshore site visits by our procurement team. These efforts have proven effective, as evidenced by the largely positive and satisfactory audit results. This success highlights the robustness of our preventative internal policies, including the anti-slavery clauses in our supplier contracts and our vendor and supplier screening processes, which allow us to detect and address any modern slavery risks at an early stage.

Our Production Manager engages in proactive and regular communication with both suppliers and auditors. By comparing audit outcomes over time, we aim to quantify improvements and identify areas requiring further action.

Macmillan has implemented enterprise-wide induction and refresher ethics and compliance training across our group that covers practices aligned with our code of conduct, and issues such as fraud and unethical behaviour, health and safety, discrimination, anti-bribery, anti-corruption and privacy. As part of our training governance framework, we monitor and report on our mandatory training completion rates. In early 2025, the Board completed external compliance training and our Legal team regularly update the Board about relevant employment law changes, such as the recent criminalisation of wage theft in Australia. Employee engagement rates in

training sessions and the tangible effects from audit reports serve as markers of success, guiding strategies for ongoing improvement.

Macmillan also has in place whistle blowing procedures in order for violations of our Code of Conduct or Code of Ethics for Business Partners to be reported. Issues can be raised internally or via the online anonymous reporting platform EthicsPoint. Retaliation against those raising a good-faith concern is strictly prohibited in our policies. In 2025, we revised our Employee Handbook to enhance our whistle blowing policy and procedures, providing employees with clearer guidance on how to raise concerns.

Our review and assessment of the actions to identify and address modern slavery risks in our operations and across our supply chain are an ongoing and evolving process. While the UK Compliance Officer monitors EthicsPoint data, our recent update to the MPA Employee Handbook ensures staff and suppliers are reminded locally of this reporting avenue, aligning it with the Macmillan Code of Conduct. We will continue to monitor Modern Slavery risks, including by considering information received through our due diligence processes, SEDEX audits, EthicsPoint reports, targeted training programs, and personally attending supplier sites.

This statement was approved by the Board of Pan Macmillan Australia Pty Ltd and Macmillan Publishers Australia Pty Ltd on 30 September 2025.

Praveen Naidoo
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Praveen Naidoo
Managing Director
Pan Macmillan Australia Pty Ltd
Macmillan Publishers Australia Pty Ltd

25/9/2025
Dated.....