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# MYOB Modern Slavery Statement

FY2022



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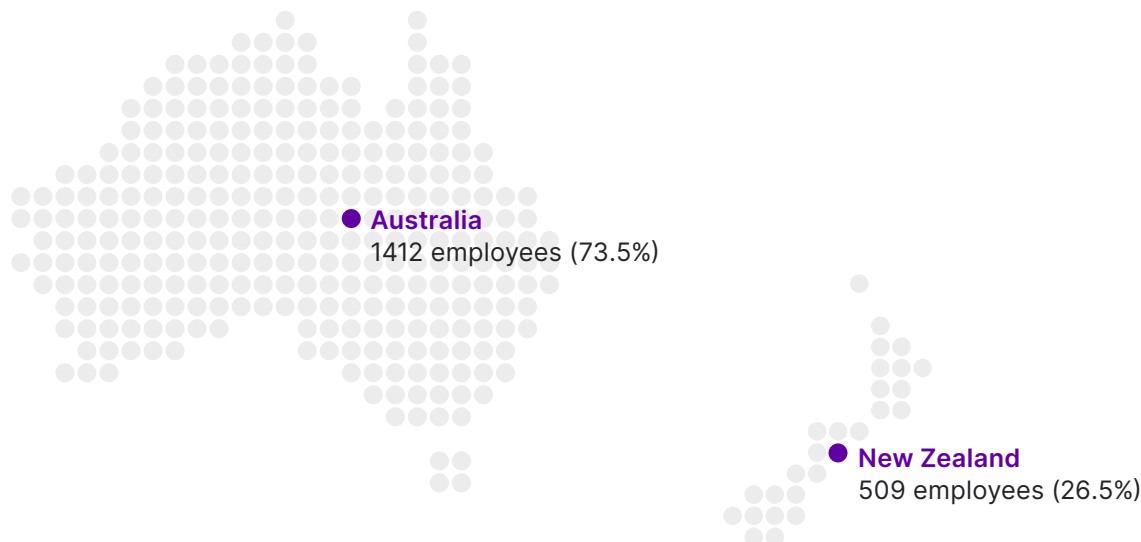
# Introduction

This Modern Slavery Statement (**Statement**) is submitted by MYOB Australia Pty Ltd (ACN 086 760 198) on behalf of itself and MYOB Group Co Pty Ltd (ACN 630 725 825), (together, **MYOB**) in a single joint statement. In this Statement, “we”, “us”, and “our” means MYOB and their owned or controlled entities (**MYOB Group**).

This Statement is prepared in accordance with the *Modern Slavery Act 2018* (Cth) (**Act**). This is the third statement provided by MYOB under the Act. This Statement outlines the steps that we have taken to identify, manage and minimise the risk of modern slavery in our operations and supply chain for the period 1 January 2022 to 31 December 2022 (**Reporting Period**). The Annexure to this Statement summarises MYOB Group’s compliance with each of the reporting criteria required by the Act.

Founded in 1991, MYOB is committed to helping businesses in Australia and New Zealand start, survive and succeed. Our principal activities consist of ideating, designing, developing and licensing business management software to businesses of every type and size in a range of industries across Australia and New Zealand. These customers drive our world - we believe in them. Given our values, we have an important role to play in fostering ethical business practices that help address modern slavery and protect human rights.

MYOB takes corporate social responsibility seriously and has a zero-tolerance attitude to all forms of modern slavery including human trafficking, slavery, forced labour, debt bondage, servitude, child labour and forced marriage. We recognise that modern slavery is a significant worldwide problem and are committed to improving our systems and practices to identify and avoid complicity with potential modern slavery and human rights violations across our operations and supply chain.



# MYOB’s structure, operations and supply chain

## Our structure and operations

MYOB Australia Pty Ltd is an Australian company headquartered in Melbourne and is the Australian operating entity of the MYOB Group. Our registered office is Unit 301, 168 Cremorne Street, Cremorne VIC 3121. The registered office for MYOB Group Co Pty Ltd is Suite 1, Level 11, 66 Goulburn Street, Sydney NSW 2000.

The MYOB Group carries out business in Australia and New Zealand through subsidiaries in those countries, including MYOB Australia Pty Ltd in Australia.

MYOB Group’s companies all operate in the same industry sector. MYOB is a provider of business management solutions in Australia and New Zealand.

**MYOB’s operations are divided into three divisions:**

- **SME Solutions:** providing accounting, tax, payroll and other business management software to small to medium sized businesses;
- **Financial Services:** providing payments and cash flow solutions to MYOB customers; and
- **Enterprise Solutions:** providing enterprise resource planning, payroll and human resources management software to medium and larger sized businesses.

Further information about MYOB’s business and products is available at: [myob.com.au](http://myob.com.au). As at 31 December 2022, our workforce comprised 1,921 employees across Australia and New Zealand performing the following types of roles: Employee

Experience (which includes Talent Acquisition, Digital Experience, People Partners and Workplace Experience), Group Services (which includes Finance, Legal, Procurement and Risk), Marketing, Product, Sales & Support and Technology (which includes Developer Software Engineers).

**% of Employees by Function and Country as at 31 Dec 2022**

Function	AU	NZ	Total
Employee Experience	3.1%	1.8%	4.9%
Group Services	4.3%	0.4%	4.7%
Marketing	5.9%	0.6%	6.5%
Product	6%	1.3%	7.4%
Sales & Support	36.2%	16.3%	52.5%
Technology	17.9%	5.9%	23.8%
<b>Grand Total</b>	<b>73.5%</b>	<b>26.5%</b>	<b>100%</b>

Of MYOB Group’s employees, 1,797 (93%) are employed full time and 124 (7%) are employed part time. This includes permanent and fixed-term MYOB Group employees. Approximately 630 employees in Australia are subject to Industrial Awards, including the Clerks - Private Sector Award 2010, the Graphic Arts, Printing and Publishing Award 2010, and the Professional Employees Award 2010.

## Our acquisitions during the Reporting Period

During the Reporting Period, MYOB wholly acquired Pixel Components Pty Ltd, Nimbus Technology Pty Ltd, Nimbus Portal Solutions Ltd, Nimbus Portal Solutions Inc, Tall Emu Pty Ltd, Flare HR Pty Ltd, Flare Financial Services Pty Ltd, Responsible Investment Services Pty Ltd, Simple Financial Choices Pty Ltd, Spark Leasing Pty Ltd and Aztech Solutions Limited (together **Acquired Entities**). These entities all operate in the same industries as MYOB, as described above. None of the Acquired Entities are reporting entities for the purposes of the Act.

As part of the integration of the Acquired Entities, MYOB Group considered whether to continue the relationships with suppliers, including negotiating new terms or moving the supplier onto MYOB's standard supplier agreements. After acquisition, employees of Acquired Entities became subject to the same policies and procedures as other MYOB Group employees, which are further outlined below. The suppliers of the Acquired Entities were largely in the same industries as the suppliers of MYOB Group.

## Our brands

In Australia and New Zealand, the MYOB Group provides products and services under the brand names MYOB, Tall Emu, Flare HR, Nimbus and GreatSoft.



## Our supply chain

As a technology business, MYOB's key spend categories for the Reporting Period (ranked in order of spend) are:

Categories	Description
IT software solutions and IT hardware and maintenance	IT software, cloud platform services and computer systems and IT hardware used by our employees.
Marketing	Advertising and marketing services and products.
Independent contractors, third party professional services and outsourcing services	This spend category includes individuals who directly subcontract with MYOB providing services such as project management, software engineering, product management, accounting, financial and legal services and our contact centre support services in South Africa and Philippines.
Facilities	Office operations such as cleaning, security and repairs and maintenance, and office consumables across our 15 offices in Australia and New Zealand.

The geographic footprint of our direct suppliers includes (but is not limited to) Australia, New Zealand, the United States, Ireland, Hong Kong, the United Kingdom, Germany, Singapore, South Africa, China, Thailand and Philippines.

# Modern slavery risks in MYOB Group's operations and supply chain

MYOB Group's approach to assessing modern slavery risks in relation to its operations and supply chains and those of its owned or controlled entities has been informed by the United Nations Guiding Principles on Business and Human Rights.

## Risks in our operations

The risk that our operations include modern slavery is low. This is because:

- The domestic operations of participants in the Australian technology industry are generally considered to be a lower risk industry for modern slavery.
- During the Reporting Period, MYOB's 1,921 employees were based in Australia and New Zealand and comprised adult, mostly skilled labour.
- As a technology company, most of the MYOB Group workforce are tertiary educated professionals.
- MYOB deploys a comprehensive labour and services management system. The systems and methods that we use to contract with suppliers are centralised and managed internally by MYOB's internal procurement and legal team.
- MYOB Group complies with Australian and New Zealand employment laws which regulate the recruitment and remuneration for our direct workforce, including ensuring that our employees have appropriate working rights.
- MYOB Group has Human Resources specialists located in both Australia and New Zealand who support us with employment law compliance.
- Employees are free to join any union or association.
- We have Group-wide policies in place to ensure compliance with local labour, health, safety and employment laws. The policies outline the standard of behaviour we expect of our employees, working conditions they are entitled to, and how to report any issues or concerns. Key policies include:
  - Equal Employment Opportunity Policy
  - Professional Conduct & Ethics Policy
  - Whistleblower Policy
  - Health, Safety & Wellness Policy
  - Disciplinary Policy
  - Grievance Policy
  - Complaints Policy

Employees can access these policies from our intranet. The policies are also given to new employees. Key policies are supported by compulsory employee training.

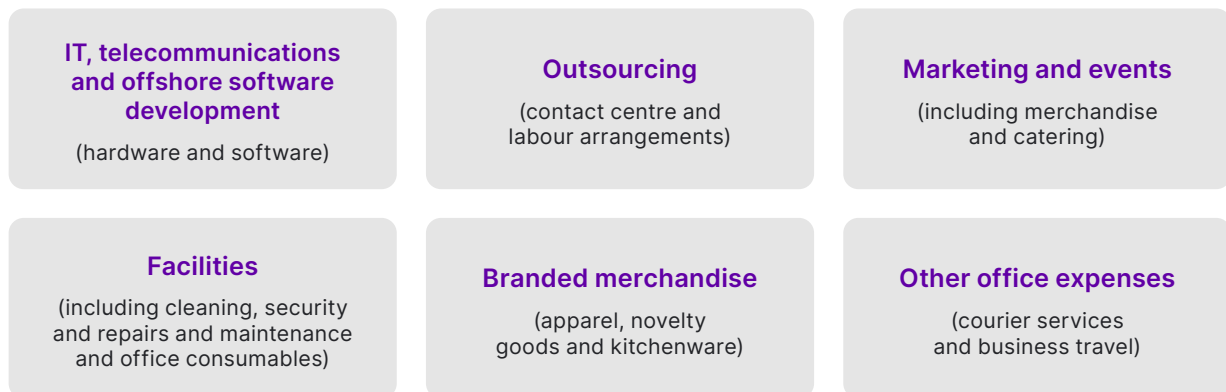
## Risks in our supply chain

In assessing MYOB Group’s supply chain, we considered sector and industry risks, product and services risks, and geographic risks associated with modern slavery. We consider that these risks are mitigated (although not eliminated given the inherent risk – see below), by the following factors:

- Our supply engagements generally consist of supply chains between MYOB and the end-supplier; we have limited supply chains and supplier engagements with one or more contractor or sub-contractors within that supply chain.
- Our supply chain largely consists of professional services and products that support the delivery of MYOB’s products and services in Australia and New Zealand.

In assessing our supply chain risk, we targeted our supplier due diligence based on spend and industry and revised our scope to suppliers who were not assessed during the previous reporting period. Our approach to due diligence is detailed in this Statement under the heading “Our actions and progress during FY22”.

The following procurement categories relevant to our business may carry an inherently higher risk of modern slavery, including forced labour, debt bondage and child labour:



The increased risk profile of these categories can be due to a combination of factors such as:



From our modern slavery assessment, we ascertained that during the Reporting Period the majority of our suppliers were technology companies domiciled in Australia, New Zealand or the United States of America. The technology industry in Australia, New Zealand and the United States (within which our largest suppliers by spend operate) have lower risks of modern slavery in their direct operations. However, their supply chains, like most businesses, carry a higher risk by virtue of raw material extraction, component manufacturing, assembly and logistics. Workers in these supply chains are often low-skill or migrant workers working in countries with a higher prevalence of modern slavery, making them more vulnerable to modern slavery practices.

The risk that our business has caused or contributed to modern slavery in our supply chain is low. However, like most - if not all similar entities operating in our sector - there is inherent risk that our business is linked to modern slavery via our suppliers and their respective supply chains.

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## Our actions and progress during FY22

During the Reporting Period, we addressed the goals set in our FY21 Modern Slavery Statement by:

- 1) Reviewing the scope of internal training to consider whether there is sufficient training of personnel or whether additional categories of personnel should be included;
- 2) Reviewing and updating internal policies to address content related to modern slavery (where required);
- 3) Assessing how to extend past first tier procurement with key suppliers during the next few reporting periods;
- 4) Progressing the implementation of the modern slavery aspects within the new CLM system; and
- 5) Further assessing and adjusting our KPIs to monitor, measure and improve the effectiveness of our actions.

### We assess the effectiveness of our actions by:

- tracking our actions against our KPIs;
- monitoring for any reported incidents of modern slavery within our organisation and supply chain;
- reviewing and increasing awareness of our policies and procedures in relation to modern slavery; and
- the number of people who have completed modern slavery training.





## Modern Slavery Questionnaire and supplier assessments

MYOB Group continued to increase the number of suppliers that were subject to modern slavery due diligence in FY22 relative to FY21 and assessed how to extend past first tier procurement key suppliers. In doing so, we continued to carry out due diligence with our larger suppliers of professional services and made the determination to focus our efforts with this cohort. This included reviewing in greater detail, their compliance with modern slavery and human rights practices for direct suppliers and indirect suppliers.

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## Supplier Code of Conduct

We continued to roll out our Supplier Code of Conduct (**Code**) to new suppliers. Our Code sets out our requirements and minimum expectations in areas such as modern slavery, human rights, labour, environment, health and safety and anti-bribery and corruption for suppliers providing goods and services to MYOB. This Code is published on our website and we intend to review the Code in the next reporting period to ensure it continues to remain current in setting the appropriate standards we expect of our suppliers.

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## Scope review of internal training

MYOB Group continues to provide online learning modules to employees. We provided modules on modern slavery to selected groups of employees who have high involvement with the business' procurement processes, including senior leadership, legal, compliance, procurement and workplace experience teams.

The modules are reviewed annually and updated as required and MYOB Group will continue to monitor and ensure that identified employees conduct the learning annually.

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## Review and update internal policies

MYOB Group reviewed the internal policies which collectively cover MYOB Group's Modern Slavery obligations and commitments. A review of the policies concluded that no changes were required in the Reporting Period.

## Further assessing and adjusting our KPIs to monitor, measure and improve the effectiveness of our actions

MYOB Group's KPIs were created in 2020 and were considered to be a meaningful and appropriate mechanism for assessment of FY22 Goals. For that reason, the KPIs were not updated in FY22, however MYOB Group will continue to consider whether they remain appropriate in the next Reporting Period.

### KPI

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Number of suppliers issued a modern slavery questionnaire as part of our supplier due diligence process

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Number of suppliers that received our Code

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Number of suppliers that agree to our Code

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Target completion rate for employees completing modern slavery training

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The proportion or number of complaints resolved by a grievance mechanism in relation to modern slavery risks

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## Establishment of a new procurement team

During the Reporting Period, MYOB created a Senior Procurement Manager role and the Procurement team joined the Legal team to form a new "Legal and Procurement" team, whose role includes recognising circumstances that may give rise to modern slavery risks and safeguard against human rights violations within our supply chain. This move of MYOB's procurement function from the Employee Experience function to the Group Services function will enable closer collaboration between MYOB's procurement, risk and legal teams, resulting in improved modern slavery compliance. This transition started with the creation of the Senior Procurement Manager role in Group Services in 2022, with completion due in 2023.

## Standard contractual terms

During the Reporting Period, we continued to incorporate modern slavery clauses into new contracts with suppliers, and contracts that were up for renewal. These standard terms include the requirement for suppliers to comply with our Code and to notify MYOB of any identified instances of modern slavery in their operations or supply chain.

For suppliers who will not agree to our Code and are themselves reporting entities for the purposes of Act, MYOB has included alternative obligations for suppliers to comply with the Act and warrant any statements made by those reporting entities are true and correct. MYOB also reviews those supplier's own codes of conduct as part of the procurement process.

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## Centralised contract management system

In 2021, MYOB implemented a Contract Lifecycle Management (**CLM**) system, to centralise the processing and storage of all MYOB's supplier contracts. Since the implementation of the CLM, MYOB has been requesting and documenting modern slavery information from its top tier suppliers to ensure they meet appropriate requirements. In the next Reporting Period, the modern slavery fields in the CLM will be made required fields for all new suppliers.

This Reporting Period MYOB Group also focussed on developing supplementary documents including an MYOB Modern Slavery Fact Sheet. Those resources will be included in the CLM system in 2023.

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## Employees

### Remuneration

On an annual basis, MYOB Group analyses market conditions and MYOB Group's position relative to the market for remuneration. We regularly examine the market trends in pay within our industry and the broader market. We use Aon Hewitt Market Data as our priority data source, which aligns MYOB to a data source with like-Tech organisations which includes the majority of our competitors and relevant job family data. Remuneration adjustments are generally made annually based on this review. In addition, we ensure we are compliant with relevant Industrial Awards. MYOB Group conducted these reviews during the Reporting Period.

### Working Rights

During the recruitment process, all prospective MYOB Group employees are required to provide evidence of working rights and our team checks that those we recruit are of legal working age. MYOB Group confirms that this occurred during the Reporting Period.

# Next steps

For the reporting period ending 31 December 2023, MYOB Group will focus on:



## Training

Carrying out the FY23 annual review of internal training to consider whether current training remains sufficient and whether additional categories of personnel should be included.



## Culture of Compliance

Introduction of anonymous internal reporting mechanisms to raise modern slavery concerns. Promote awareness of these reporting channels through internal policies, communications and training.



## Questionnaire

Continued assessment on how to reach past first tier procurement with key suppliers, including sending the questionnaire to all new suppliers during onboarding, annual reviews of material and critical agreements, and periodical reviews of all other third party engagements.



## Contract Lifecycle Management

Progressing the implementation of the modern slavery aspects within the new CLM system.



## Policy review

Review and if necessary, update internal policies to address content related to modern slavery. This review will also consider whether it is appropriate for MYOB to develop a standalone MYOB Human Rights Policy.



## KPIs

Further assessing and adjusting our KPIs to monitor, measure and improve the effectiveness of our actions.

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The process of consultation in preparing this Statement, as between the reporting entities, involved consultation with the Executive Management of each entity and consideration of other MYOB Group entities which are controlled by or related to the Reporting Entities. The content of this Statement was tabled for review with the Chief Executive Officer and with the MYOB Group Modern Slavery Steering Committee.

This is a joint statement made by MYOB Australia Pty Ltd and MYOB Group Co Pty Ltd and was approved by the Board of each reporting entity on 22 May 2023

**Greg Ellis**

Director of MYOB Australia Pty Ltd and MYOB Group Co Pty Ltd

## Annexure - Reporting criteria

Reporting criteria	Pages
1 & 2. Identify the reporting entity and describe its structure, operations and supply chains	1 - 3
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	4 - 5
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	6 - 7
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	6
6. Describe the process of consultation with any entities the reporting entity owns or controls	10

