



McPHERSON'S
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McPherson's Limited FY24 Modern Slavery Statement

4 November 2024

Reporting requirements of the Modern Slavery Act 2018 (Cth)

Mandatory Reporting Criteria	Section
Reporting entity covered by this statement	About McPherson's Limited
Description of our structure, group operations and supply chain	1
Description of the risks of modern slavery practices in our operations and supply chains	2
Actions taken to assess and address those risks	3
Assessing the effectiveness of those actions	4
Description of the consultation process with owned and controlled entities	5
Other relevant information	6

About McPherson's Limited

McPherson's Limited (ABN 98 004 068 419), and its subsidiaries (McPherson's), are suppliers of some of Australia's well-known essential health, beauty, and wellness products. McPherson's has five core household brands: Manicare, Lady Jayne, Dr LeWinn's, Swisspers and Fusion Health. McPherson's strategy is to invest in and grow these brands through the pharmacy, grocery and e-commerce channels.

In addition, the Company supplies a supporting portfolio of other popular brands in attractive segments of the market including haircare, vitamins and supplements, fragrance, and nutrition.

McPherson's is headquartered in Sydney, has offices in Melbourne, Auckland, Hong Kong and Shanghai, and is listed on the Australian Securities Exchange (ASX:MCP).

This Modern Slavery Statement, issued under the *Modern Slavery Act 2018* (Cth), outlines the steps McPherson's has taken to assess and prevent modern slavery risks in its business and supply chains.

While McPherson's commitment to addressing modern slavery is monitored by the McPherson's Limited Board of Directors this Modern Slavery Statement has been prepared in consultation with all areas of the McPherson's business.

This Modern Slavery Statement covers activities from 1 July 2023 to 30 June 2024.



Anthony Ogilvie
Sustainability Manager



Stuart Macaulay
Supply Chain Director

APPROVAL

This statement has been approved by resolution of the McPherson's Limited Board of Directors on 4 November 2024.



Brett Charlton
Chief Executive Officer & Managing Director

Dated 4 November 2024

TABLE OF CONTENTS

1.	OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN	3
1.1	Our Organisational Structure	3
1.2	Our Governance	3
1.3	Our Operations	3
1.4	Our People	4
1.5	Our Supply Chain	4
2.	MODERN SLAVERY RISKS IN OPERATIONS AND SUPPLY CHAIN	4
2.1	Operational Risks	4
2.2	Supply Chain Risk	5
3.	ACTIONS TAKEN TO ASSESS AND ADDRESS RISK	6
3.1	Enterprise Risk Register	6
3.2	Review of McPherson’s spend across Goods and Services	6
4.	EFFECTIVENESS ASSESSMENT	6
5.	PROCESS OF CONSULTATION WITH ENTITIES OWNED OR CONTROLLED	6
6.	OTHER INFORMATION	7

FY24 Modern Slavery Statement

1. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

1.1 Our Organisational Structure

McPherson's Limited (ABN 98 004 068 419) is the ultimate holding company which oversees the McPherson's group's operations as listed below (collectively the McPherson's Group).



1.2 Our Governance

- (a) **McPherson's Limited Board of Directors (Board) is committed to achieving and maintaining the highest standards of corporate governance. This is considered essential for the long-term performance and sustainability of the McPherson's Group, and to protect and enhance the interests of securityholders and other key stakeholders.**
- (b) **The Board regularly reviews the McPherson's Group's corporate governance policies and practices, as well as developments in market practice, stakeholder expectations and regulations that are relevant to the McPherson's Group's sector and geographic reach.**
- (c) **These reviews seek to ensure that changes to McPherson's business activities, regulatory requirements and market expectations are reflected in its corporate governance and operational models.**
- (d) **During FY24 all Board policies and charters were reviewed, having due regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition) (Corporate Governance Principles).**
- (e) **Updates were undertaken, where required.**
- (f) **The Board takes its governance role very seriously and is committed to a continuous improvement in its corporate governance practices. Conducting an annual review process enables it to regularly monitor, review and assess the effectiveness of its governance frameworks and processes to identify and respond to internal and external developments and material risks.**
- (g) **The Company is committed to transparency and accountability. It invites interested parties to review its 2024 Corporate Governance Statement, and its overarching governance policies, including our Supplier Code of Conduct requirements, published on the McPherson's website (click on link) [McPherson's Corporate Governance](#).**

1.3 Our Operations

- (a) **McPherson's is a supplier of some of Australia's well-known essential health, beauty, and wellness products. McPherson's has five core household brands: Manicare, Lady Jayne, Dr LeWinn's, Swisspers and Fusion Health. McPherson's strategy is to invest in and grow these brands through the pharmacy, grocery and e-commerce channels.**

- (b) In addition, the Company supplies a supporting portfolio of other popular brands in attractive segments of the market including haircare, vitamins and supplements, fragrance, and nutrition. McPherson's is headquartered in Sydney, has offices in Melbourne, Auckland, Hong Kong and Shanghai, and is listed on the Australian Securities Exchange.
- (c) Manufacturing is outsourced to various suppliers, predominantly in Asia and Australia.
- (d) McPherson's maintains a presence in Hong Kong, focused on product sourcing from contracted manufacturers and quality assurance. McPherson's also maintains a presence in mainland China, focused on sales and marketing.

1.4 Our People

As at 30 June 2024 the McPherson's Group employed a total of 264 staff across operations in Australia, New Zealand, Hong Kong and China. 87.12% of our staff are employed in Australia, the majority of whom are female permanent full-time staff. Just over 1.5% of our workforce is comprised of contract workers employed on a full-time or part-time basis.

1.5 Our Supply Chain

- (a) The main categories of goods and services procured from our Tier 1 (direct) suppliers are outlined in Table 1.
- (b) Most of our services are procured from Australian based organisations (or subsidiaries of a global entity).
- (c) Our goods (in descending order of spend) are purchased from Peoples Republic of China, Australia, Hong Kong SAR, Taiwan, South Korea, Pakistan, India, Thailand, Indonesia, the United Kingdom, the United States of America, Italy, France and Türkiye.

Table 1 – Main Categories of Goods and Services

Goods	Services
Finished Goods - bags / wrap / foil	Advertising, marketing, and promotions
Finished Goods - health / beauty	Building, construction, and fabrication services
Office and building supplies and services	Hire cars, fleet, consumables, and maintenance
Packaging materials, containers, and storage	ICT Software, networking, and support services
	Logistics, warehouse, and transport services
	Print / Mail Provider
	Professional services
	Property and facility maintenance services
	Real estate / property management services
	Retail sales and distribution
	Travel, parking, and accommodation
	Utilities

2. MODERN SLAVERY RISKS IN OPERATIONS AND SUPPLY CHAIN

2.1 Operational Risks

- (a) Overall, McPherson's continues to consider the risk of modern slavery within its direct business operations to be relatively low. This is based on our review of three risk indices (Industry, commodity / product, geography), the work undertaken in this space in this reporting period (see section 3), and our existing controls.

- (b) However, McPherson’s recognises the importance of raising awareness of modern slavery amongst our staff and developing their capabilities; particularly those managing potentially high-risk areas of our business such as operations and procurement.
- (c) Progress on improving the maturity of our management systems is captured in Section 3 of this Statement.

2.2 Supply Chain Risk

- (a) McPherson’s has a comprehensive Supplier Code of Conduct which sets out our ethical standards that must be understood and expect to be followed by the entities and organisations that supply goods and services to McPherson’s. These entities and organisations are a mix of global and local supply and procurement partners.
- (b) McPherson’s has analysed the FY24 procurement data for potential modern slavery risk against the following internationally recognised risk indices:
 - (i) Industry Sector;
 - (ii) Commodity / product; and
 - (iii) Geographic location.
- (c) Table 2 details the modern slavery prevalence rating i.e. the estimated number of people in modern slavery per 1,000 population, for each of the countries in our supply chain. The prevalence ratings are from the Global Slavery Index 2023. <https://www.walkfree.org/global-slavery-index>

Country	Rating	Percentage of spend
China	4	44.21
Australia	1.6	23.15
Hong Kong	2.8	13.23
Taiwan	1.7	6.17
Korea	3.5	2.83
Pakistan	10.6	2.26
India	8	1.93
Thailand	5.7	1.71
Indonesia	6.7	1.44
United Kingdom	1.8	1.26
United States	3.3	0.98
Italy	3.3	0.40
France	2.1	0.39
Türkiye	15.6	0.04

- (d) Based on the geographic location of our suppliers approximately 54% of our spend on goods has a rating of 3.5 or more for potential risk of modern slavery practices.
- (e) Based on the industry sector and commodity product review, approximately 88% of our spend on goods has a rating of <3.5 of potential risk for modern slavery practices.
- (f) We leverage SEDEX for insights and assurance regarding our goods suppliers.
- (g) Progress on improving the risk management for Modern Slavery in our supply chain is captured in Section 3 of this statement.

3. ACTIONS TAKEN TO ASSESS AND ADDRESS RISK

The following actions were completed during the reporting period:

3.1 Enterprise Risk Register

- (a) During FY24, McPherson's completed a comprehensive review of its existing approach to managing its risk and compliance policies and framework. This included development of a refreshed Risk & Compliance Framework, the recalibration of our risk matrix and consequence table and clear risk management and compliance procedures.
- (b) This refreshed approach is aided by the introduction of a software as a service tool to enable improved records, analysis, assessment and reporting of material risks and compliance obligations.
- (c) The risk of non-compliance with the *Modern Slavery Act 2018* (Cth) and the potential changes in approach tabled in the review report into the Act, tabled in parliament 25 May 2023 were included in the McPherson's risk register.

3.2 Review of McPherson's spend across Goods and Services

- (a) As part of the business transformation which commenced in August 2023, the McPherson's entire portfolio of brands and their associated Stock Keeping Units (SKUs) was reviewed.
- (b) The business has deleted some brands and continues to rationalise the remaining SKU range. McPherson's also divested the Multix brand and inventory assets (being bags, wraps and foils) during FY24. Changes to our risk profile will be reflected in next year's statement.
- (c) McPherson's has also significantly reduced its import of all timber-based packaging products into Australia. Local Australian producers of timber-based packaging products have been and continue to be sourced. This will further reduce McPherson's risk profile.
- (d) By reducing the complexity, McPherson's reduces the risk profile of modern slavery in its supply chain. In addition, it allows a more targeted approach to working with our suppliers on the necessary assurance processes regarding their compliance against modern slavery requirements.

4. EFFECTIVENESS ASSESSMENT

- (a) McPherson's manages its modern slavery risks by leveraging the following review processes to ensure we make tangible progress towards achieving our goals.
- (b) *Board Annual Review* – the McPherson's annual Modern Slavery Statement is approved by the Board in accordance with mandatory reporting requirements.
- (c) *Risk & Compliance Committee Review* - action plan progress, issues and achievements are reviewed by the Risk & Compliance Committee regularly as part of the McPherson's risk management and compliance framework. The Risk & Compliance Committee monitors, reviews and receives reports from management under that framework.

5. PROCESS OF CONSULTATION WITH ENTITIES OWNED OR CONTROLLED

- (a) McPherson's has a controlling interest in all entities included in this report.
- (b) Relevant members of the entities were included in the development and deployment of the initiatives and ongoing review and deployment of the initiatives.

6. OTHER INFORMATION

There is no additional relevant information during this reporting period.