



MODERN SLAVERY STATEMENT

2021

**MYER**

MY STORE

## CONTENTS

# INTRODUCTION

MYER IS COMMITTED TO ETHICAL, SUSTAINABLE AND SOCIALLY RESPONSIBLE PROCUREMENT AND BUSINESS PRACTICES, WHICH INCLUDES MANAGEMENT OF MODERN SLAVERY RISKS AND PROTECTION OF EMPLOYEES AND WORKERS WITHIN OUR OPERATIONS AND SUPPLY CHAIN.

As one of Australia's largest retailer groups, we have a longstanding history of fostering ongoing relationships with suppliers in order to provide compelling value to our valued customers and to ensure that we work together to address the challenges associated with safeguarding human rights.

This is Myer's second Modern Slavery Statement, which highlights the progress made against our three-year roadmap outlined in our first Statement in 2021. Following the publication of our first statement last year, we have continued to strengthen our knowledge of possible modern slavery risks within our complex supply chain and enhanced our Ethical Sourcing Program to assess and address risks identified.

Some of the key progress highlights include:

- Increasing our understanding of modern slavery risks across our operations

- Continued to risk assess labour and service providers in our operations to strengthen controls and embedding considerations of modern slavery risks in our processes
- Supplier self-assessment questionnaire sent to high risk suppliers, and forms part of supplier engagement process
- 423 factory audits assessed against ethical trade criteria's
- Introduced supplementary grievance mechanism for workers
- Expanded and delivered bespoke training to employees
- Updated supplier code of conduct to reinforce our position on human rights
- Enhanced traceability and transparency program
- Expanded social compliance audit program scope
- Partnering with industry peers to align best practice

Modern slavery is a severe violation of human rights and relates to situations where a person is coerced into work and exploited for personal or commercial gain. It also includes conduct that undermines a workers right to freedom and includes offences such as forced labour, child labour, servitude, debt bondage and deceptive recruitment.

This statement has been prepared for Myer Holdings Limited, in accordance with the Australian *Modern Slavery Act 2018* (the Modern Slavery Act), and covers reporting entities Myer Pty Limited, sass & bide Pty Limited, and Marcs David Lawrence Pty Limited. The statement describes the risks of modern slavery in our own operations and our supply chain during the period 26 July 2020 to 31 July 2021 (reporting period or 2021). It also details the steps taken by Myer to minimise the risks of modern slavery and its effectiveness of these actions. This Statement has been reviewed and approved by the Directors of the Myer Holdings Limited Board.



# ROADMAP SNAPSHOT

WE HAVE A THREE YEAR ROADMAP THAT FOCUSSES ON CONTINUOUS IMPROVEMENT OF OUR ETHICAL SOURCING FRAMEWORK AND INCLUDES ACTIONS TO IMPROVE AND EFFECTIVELY MANAGE OUR RISK AND SUPPLY CHAIN MANAGEMENT, MONITORING, COMMUNICATION AND TRAINING. THE ROADMAP CONTINUES TO GUIDE OUR MODERN SLAVERY RISK MANAGEMENT ACTIONS.

## FY20 ENHANCE FRAMEWORK

- Update policies and procedures
- Risk assessment, mapping of supply chain and gap analysis
- Engage with high priority tier one suppliers
- Refresh employee training
- Strengthen supplier contracts with additional clauses on compliance with Modern Slavery Act
- Supplier questionnaire

## FY21 MONITOR & ENGAGE

- Monitor targets and KPIs
- Update due diligence program to ensure that it addresses key salient modern slavery risks and is fit for purpose
- Continue to engage tier one suppliers
- Strengthen worker engagement and training
- Engage and collaborate with industry and peer groups

## FY22 REVIEW & ASSURANCE

- Validate framework
- Risk based assessment of second tier and beyond
- Explore more effective mechanisms for addressing modern slavery risks
- Review options to move beyond audits and build worker engagement program
- Communicate Ethical Sourcing Program and modern slavery initiatives to customers



# OUR BUSINESS & SUPPLY CHAIN

MYER IS ONE OF AUSTRALIA'S LEADING RETAILERS OFFERING PRODUCTS ACROSS WOMENS, MENS AND KIDS FASHION, BEAUTY, HOMEWARES, ELECTRICAL GOODS, TOYS AND GENERAL MERCHANDISE THROUGH OUR STORE NETWORK AND ONLINE STORE.

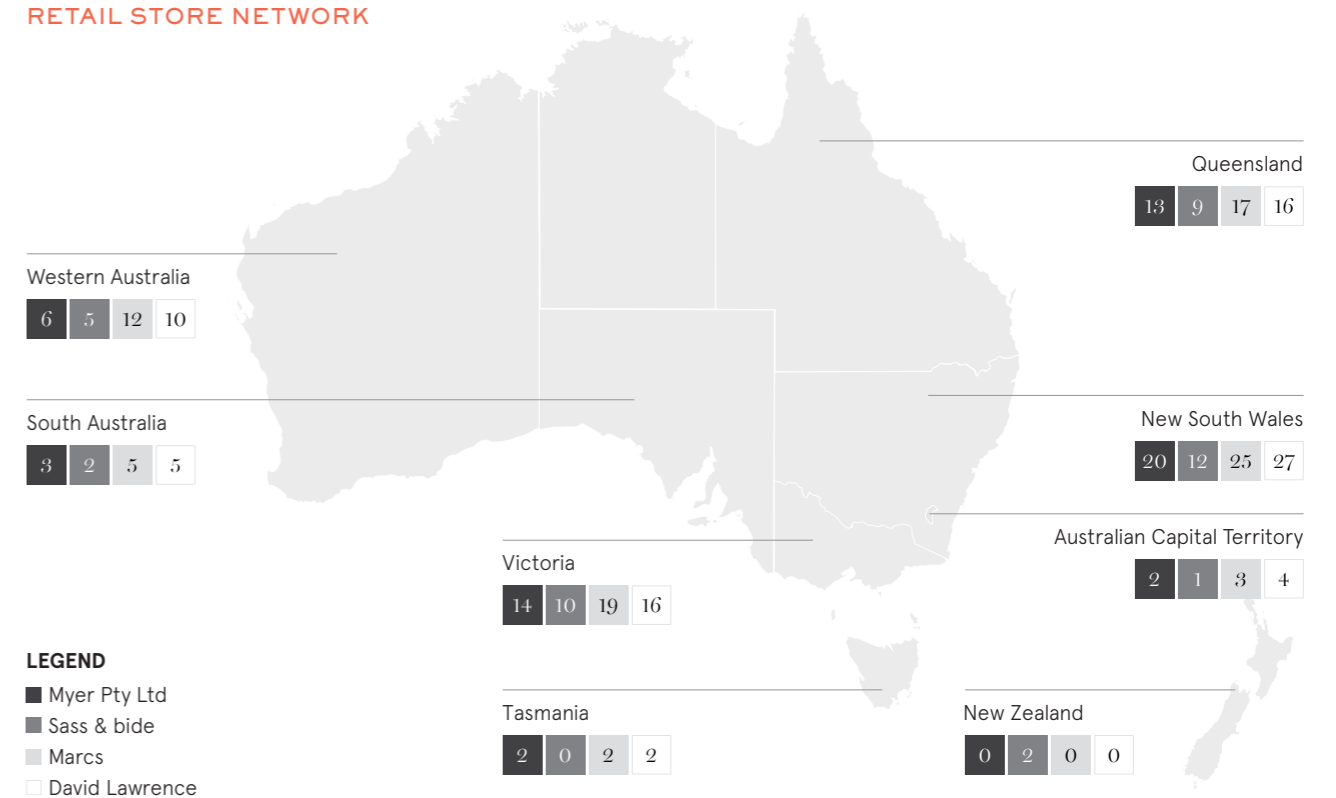
| AUSTRALIA BASED EMPLOYEES | OVERSEAS BASED EMPLOYEES | TOTAL DIRECTLY SOURCED SUPPLIERS | COUNTRIES DIRECTLY SOURCED FROM |
|---------------------------|--------------------------|----------------------------------|---------------------------------|
| 9,000+                    | 49                       | 284                              | 15                              |

Our workforce consists of over 9,000 Australian based employees across our support office, warehouses and retail stores; as well as contractors and agents engaged either by contractor or under award agreements.

Our retail store network encompasses 60 Myer department stores<sup>1</sup>, 41 sass & bide stores<sup>2</sup>, 83 Marcs stores<sup>2</sup> and 80 David Lawrence stores<sup>3</sup> across Australia and New Zealand, and is supported by our Support Office team based in Docklands, Victoria. We have

a small sourcing office in Hong Kong which employs 49 employees across locations in China, Hong Kong, and a small number in India and Bangladesh for the purpose of quality control and assurance.

## RETAIL STORE NETWORK



- 1 includes Knox City store closed during the reporting period
- 2 comprises of standalone and department store formats
- 3 In department store formats

## OUR BUSINESS & SUPPLY CHAIN (CONTINUED)

Our approach to modern slavery is company-wide, with a governance structure overseeing the management of modern slavery risks. The Myer code of conduct outlines the expectations of all employees, including company directors. The code requires awareness of, and compliance with, laws and regulations relevant to Myer's operations, including occupational health and safety and employment practices. The Myer Ethical Sourcing

Program focuses on the identification, assessment and mitigation of modern slavery risks. Each employee of Myer has a responsibility to ensure compliance with our Ethical Sourcing Program with oversight by the Audit, Finance and Risk Committee of the Board.

The Myer Board is accountable for and approves the Myer Ethical Sourcing Policy and framework, and through the Audit, Finance and Risk Committee

of the Board, reviews and monitors effectiveness of ethical sourcing risk processes, activities and initiatives. The Executive Management team is responsible for the execution of the policy and framework in their area of responsibility. The Assurance team, reporting to the Chief Financial Officer, is responsible for the development, implementation and management of the broader Ethical Sourcing Program, including modern slavery initiatives.



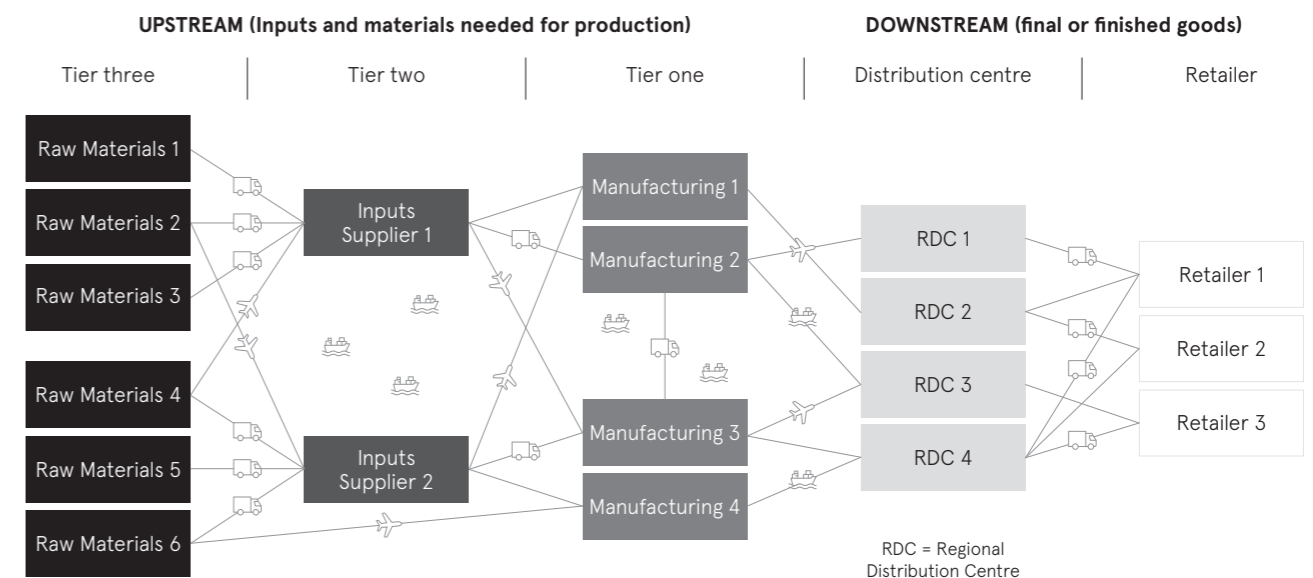
### OUR SUPPLY CHAIN

Our supply chain network is extensive, interconnected and complex with global tiered supplier networks. We do not own or operate any factories

that goods are manufactured, and accordingly rely upon long-term relationships we have developed with our suppliers over many years together with our due diligence processes to ensure the safeguarding

of workers in our supply chain. We work collaboratively with our suppliers to ensure ethical sourcing requirements and milestones are met and continually improved upon.

### EXAMPLE OF A COMPLEX SUPPLY CHAIN



Our supply chain operation is categorised as follows:

#### MERCHANDISE SUPPLIERS

##### Private brand supplier

Myer owned brands manufactured under a Myer owned trade mark

##### National Brand supplier

Branded suppliers with local and/or international proprietary rights for resale by Myer where trademark is not owned by Myer

##### Brand Partner supplier

Licensed suppliers selling branded product owned by the licensed business, operating a store-in-store business within Myer stores

Whilst we do not own or control National Brand and Brand Partner suppliers, they are contractually obligated to follow Myer protocol including modern slavery and may be required to report under Modern Slavery Legislation. To increase our visibility of our supply chain, reviews of the management processes of key suppliers through their Modern Statement is undertaken to assist in identifying possible areas of risks that may have not been recognised

#### NON-MERCHANDISE SUPPLIERS

Goods and services not for resale to customers, engaged to support our operations such as packaging materials, stationery, transportation, visual merchandise equipment, marketing, security, cleaning and professional services.

Non-merchandise suppliers are typically found in industries such as cleaning, security and transport which these industries are generally considered at high risk of modern slavery and exploitation, and likely to be migrant workers

# OUR MODERN SLAVERY RISKS

MYER'S MODERN SLAVERY PROGRAM UTILISES A RISK BASED AND CROSS-DEPARTMENTAL MODEL.

Our operations and supply chains are complex and potentially exposed to human rights risks. We continue to monitor our risk through ongoing assessments including third party audits and advice, supplier questionnaire, grievances raised, industry trends, media reports and collaboration with our suppliers.

Our internal business units and departments continually monitor relevant risks in order to maintain a risk profile, prioritise efforts and to validate existing controls. Our buying, ethical sourcing and procurement teams work closely to monitor new and existing

suppliers to ensure the risk profile is maintained or reduced.

Ongoing risk assessments allow us to better understand areas of focus and priorities. These assessments consider the relevant changes both internally and externally, accounting for the nature of the relationship with the supplier and its network, the type and spend of goods or services, the geographic location, the level of human rights protection and vulnerability, and the ongoing monitoring of reputable media reports. It also reviews possible modern slavery risks and general human right issues, and assesses the adequacy

of controls. In the reporting period, we did not have any instances of modern slavery within our operations or supply chain reported.

All countries in which private brand manufacturing takes place have undergone a risk assessment and been approved by our risk framework. No new sourcing country or supplier can be on boarded without a prior risk assessment completed. This country risk profile is based on a number of social and economic indicators such as ILO Rights and Protection Index, OECD, Corruption Index etc.

## Our risk assessment identified the key risks to our operations and supply chain, and areas of focus

|                              |   |
|------------------------------|---|
| <b>Forced labour</b>         | Where a person is forced or coerced to work against their will and restricted in movement under threat or punishment and for no or very little pay.<br><br>There is a risk that forced labour could exist in our extended supply chain in manufacturing and raw materials   |
| <b>Child labour</b>          | Where a child is exploited for personal or commercial gain, and exposed and required to work in hazardous conditions or the work is harmful to the child's physical and mental development.<br><br>There is a risk that child labour could exist in our extended supply chain in manufacturing, inputs production and raw materials   |
| <b>Bonded labour</b>         | Where a person is required to pay debts (such as recruitment fees) to their employer or recruiter. Workers are often bound to the employer until the debt has been paid and in most instances such debts are extremely difficult to pay off.<br><br>There is a risk that bonded labour could exist where subcontracting occurs or in areas where low skilled or migrant workers are employed. Migrant workers are generally at higher risk of exploitation due to lack of knowledge of local laws, reluctance to raise concerns or questions for fear of losing their job or facing deportation and possible better conditions compared to their home country or area |
| <b>Deceptive recruitment</b> | Where a person is enticed to work using false or deceptive practices about the details and working condition of a job, and is later left in a vulnerable position once employment has commenced.<br><br>There is a risk that deceptive recruitment could occur where third parties use to recruit workers, particularly vulnerable workers such as migrant workers, undocumented workers or workers from areas with high unemployment or poverty  |



## PRIVATE BRAND SUPPLIERS

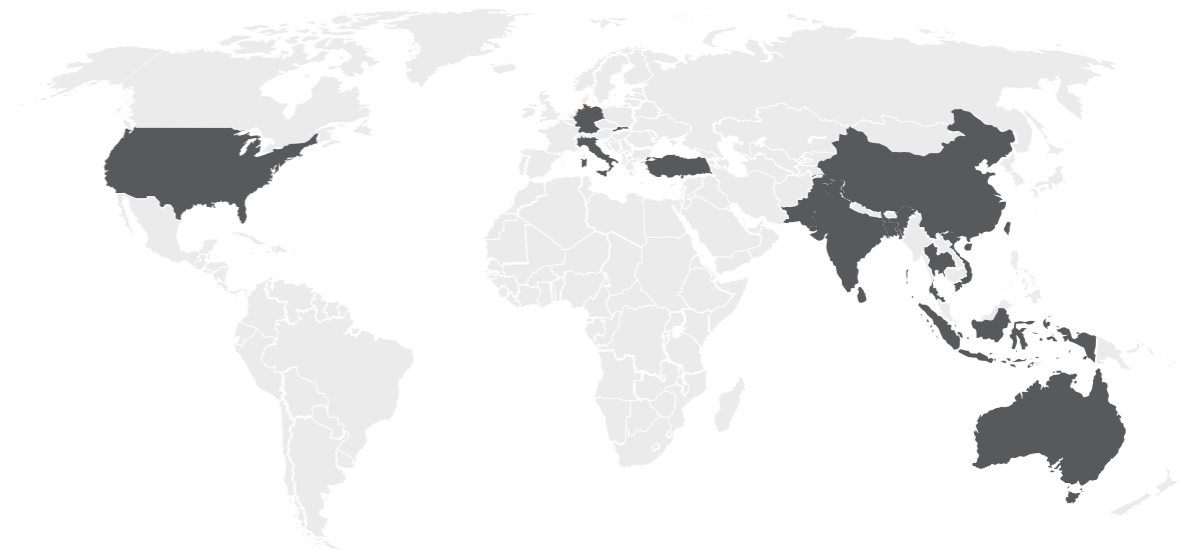
Myer currently engages 284 private brand textile and manufacturing suppliers in over 400 factories across 15 sourcing countries. Private Brand suppliers are suppliers that present the greatest risk as the product is manufactured directly for Myer, providing increased leverage and influence to identify and remediate

non-conformances. During the reporting period, our supplier base was consolidated to a smaller number of countries and suppliers in order to provide greater influence and importance of each of our suppliers and their factories. This also includes ensuring that Myer's requirements are met and assured throughout their operations, fostering a better relationship with final production

suppliers and allowing for greater information shared with regard to mills and raw materials. We are committed to continuously improving the transparency of our tier one Private Brand suppliers, as we recognise this is an important component of our ethical sourcing program.

Products were sourced from 15 countries, with our concentration of tier one sourcing locations as below

## TIER ONE SOURCING LOCATIONS



## TOP 4 COUNTRIES (BASED ON SPEND)

| CHINA                     | INDIA                     | BANGLADESH                | VIETNAM                   |
|---------------------------|---------------------------|---------------------------|---------------------------|
| 80.3% of purchases        | 9.5 % of purchases        | 3.8% of purchases         | 3.5% of purchases         |
| Active factories - 327    | Active factories: 52      | Active factories: 9       | Active factories: 8       |
| Key merchandise - Apparel | Key merchandise - Apparel | Key merchandise - Apparel | Key merchandise - Apparel |

Whilst we have a clear understanding of the final stage of our production, currently audits are not common for raw materials and inputs suppliers. In such instance, we utilise the supplier questionnaire and through discussions seek to understand their operations and processes. Contractual arrangements are generally between final stage production and Myer. Additional diligence and validation processes are consistently being explored to ensure transparency and supply chain is free from modern slavery.

# DUE DILIGENCE

OUR ETHICAL SOURCING PROGRAM IS IN LINE WITH GLOBAL BEST PRACTICE, AND STANDARDISES OUR APPROACH TO RESPONSIBLE SOURCING, ETHICAL BUSINESS PRACTICES AND WORKPLACE SAFETY.

Throughout the year, we have worked hard to amplify our program through increased risk assessments to incorporate new data as they become available, due diligence, and remediation processes, to allow for the continued growth of our traceability program beyond tier one of the supply chain.

## OUR POLICIES

All employees including executive management and Directors are expected to demonstrate high standards of business conduct as outlined in our Code of Conduct. All employees must undertake mandatory periodic online refresher training on the Code of Conduct. Suppliers must adhere to our Ethical Sourcing Policy, which was developed in line with internationally recognised labour standards such as the Ethical Trade Initiative (ETI) and best practice guidance.

Our Ethical Sourcing Policy is applicable and communicated to both merchandise and non-merchandise suppliers prior to onboarding, alongside our Whistleblower Policy and Supplier Code of Conduct which is available in English and Chinese where the majority of our private brand manufacturing occurs. This Policy embraces internationally recognised guidelines provided by the Ethical Trade Initiative (ETI), outlining a number of key labour indicators such as wages and benefits, working hours and discrimination, and our zero tolerance stance on forced and child labour, bribery, and effects on the environment. This Policy includes flow down application to the suppliers supply chain and a requirement of the supplier to ensure that their supply

chain are provided a copy of Myer's policies and requirements including our Code of Conduct, Procurement Policy, Diversity and Inclusion Policy, Employee Complaints Standard and Whistleblower Policy. Our current trading term agreement for both merchandise and procurement are strengthened by modern slavery specific provisions in the contract precedent, and requires all suppliers to agree and adhere to the sourcing policy, and comply with all modern slavery laws and regulations and have appropriate controls in place to identify and manage slavery practices.

## AUDIT AND REMEDIATION

Our diligence process ensures that prior to onboarding or awarding of a contract, all Private Brand suppliers are assessed against our risk framework, as well as those suppliers seeking renewal. Suppliers are required to provide a valid third party social compliance or ethical audit report for each factory that will be manufacturing Private Brand products. Suppliers located in extreme risk countries, as rated against Myer's country risk profiling, require an audit every 12 months, and those of lower risk every two years. Myer understands the operational and financial impacts of the audit process, and therefore offer mutual recognition of audits.

Tier one Private Brand suppliers remain a key focus of our social compliance audit program, as these suppliers manufacture directly for Myer, which allows for greater leverage to influence and remediate non-conformances.

Myer assesses factories against a set of principles utilising the key criteria's of the Ethical Trade Initiative (ETI), which ensures at a minimum, that all Private

Brand suppliers have management systems in place covering all factories. It also includes a requirement to recognise the rights of all workers and to treat them with dignity, respect and equally providing them an environment that is free from discrimination, abuse and harassment, and is considered in line by international community standards. In addition all workers must be protected against forced or child labour, be compensated fairly for their work, and be allowed freedom of association and the right to collectively bargain.

During the reporting period, Myer reviewed audits from 275 suppliers across 423 factories. Our review identified one zero tolerance issue relating to falsification of an audit report, which resulted in the factory being terminated, and 54 high risk issues, which primarily related to excessive overtime hours and working conditions. Myer continues to support factories and suppliers to address any non-conformances as our preference is continued business and an ongoing relationship with suppliers to ensure labour and worker rights are met. Alternative sources of supply will only be sought where there is a zero tolerance issue raised or if it is evident a supplier is unwilling or unable to adequately remediate concerns. Suppliers with high risk issues have co-operated with remediation actions.

A breakdown of audit review<sup>4</sup> of our top four sourcing countries:

| CHINA   | INDIA  | VIETNAM  | BANGLADESH  |
|---|--|--|---|
| Social compliance audits reviewed for <b>315</b> factories employing <b>68,970</b> workers. | Social compliance audits reviewed for <b>61</b> factories employing <b>18,219</b> workers. | Social compliance audits reviewed for <b>10</b> factories employing <b>9,265</b> worker. | Social compliance audits reviewed for <b>9</b> factories employing <b>21,818</b> workers. |
| Primary issues related to <b>excessive overtime</b>   | Primary issues related to <b>working conditions</b>  | Primary issues related to <b>excessive overtime</b>                                      | Primary issues related to <b>working conditions</b>                                       |

## ZERO TOLERANCE

Whilst reviewing a renewal audit for a womenswear factory, our ethical sourcing team identified that the audit report had the same working hours and issues to a previously received audit report but with a current report date. Further, the sample of the working hours were inconsistent with the period of review and the sampling method used deviated from standard practices.

After the inconsistency was flagged by the team, a full review was conducted and later confirmed that the report provided by the factory was the prior year's report, where the date of the report was changed to a current year by the factory.

Myer has a zero tolerance to falsified and or fraudulent activities within our supply chain; as a result, we have terminated business with this factory.

## FAIR WAGES

A key pillar of our program focuses on promoting and encouraging worker empowerment. Myer has and will always encourage factories to pay a fair and adequate wage for the work that is being done in compliance, at minimum with local laws. This includes being paid correctly in line with entitlements and fair in relation to their position within the organisation.

Myer acknowledges that the payment of just wages and the continued improvement of wages and working conditions cannot be achieved in isolation, and places a strong emphasis on working with other retailers and non-government organisations to enact change. Myer is open to, and supports, NGO's (non-government organisations)

and relevant parties lobbying with respective governments to ensure that wages are fair, in line with the work being conducted and is adequate to meet living standards.

## REMEDATION

In line with our Ethical Sourcing Program, we support and monitor factories to ensure that the required corrective action plans have been put in place to address non-conformances. Any failure of our social and ethical audit requires a corrective action plan to be implemented. The supplier is to address the concerns before new orders can be placed. It is our preference to work with the supplier to address these issues to foster a positive and ongoing relationship with suppliers; with alternative sources of supply only

sought where it is evident a supplier is unwilling or unable to adequately remediate concerns.

We have developed remediation response plans to address any issues raised. Where issues such as forced or child labour are found through our audit program, we have stringent remediation processes in place. The process sets a minimum action plan (phased approach), with additional actions required as determined by the nature of the case. In all instances the interest of the victim is paramount and tailored to the specific needs of the victim. Child services and local authorities may be consulted to complement our framework, where applicable. The remediation process includes immediate actions such as removal of the victim from

<sup>4</sup> Includes factories reviewed but not registered.

## DUE DILIGENCE (CONTINUED)

all work and ensure victim is in a safe place with basic needs such as food, accommodation and payment of stipend is in place. Contact and open dialogue with the victim's parent, caregiver, family and/or support group is essential, particularly to ensure that the victim is aware of what is happening.

A responsible person is assigned to ensure the remediation plan is tailored to the requirements of the case, the required stakeholders are involved with clear roles and responsibilities and overall management of the case. The responsible person also manages the investigation into the specific circumstances of the case, the safe return of the victim to their home and ongoing follow-up and monitoring of the victim to ensure the welfare of the individual. In the case of child labour, the ongoing monitoring of the child's progress at school until the child reaches working age. Depending on the nature of the case (with all actions needing to be proportionate to the case and issue), remediation plans are developed in consultation with relevant stakeholders such as local authorities, protection specialists, relevant reputable local non-government organisations and with the victim and/or their parent or caregiver. The remediation plan incorporates requirements and best practice from Sedex guidance on operations practice and indicators of forced labour, UN toolkit to combat trafficking on people, ETI base code guidance, and many other relevant resources. We continue to educate ourselves on best practice and remediation processes taking careful steps to ensure the welfare of the victim and collaborate with others, including local NGO's, law enforcements or any appropriate stakeholder.

### EMPLOYEE TRAINING

Training remains a key focus, as we recognise the importance of equipping our employees with the tools and knowledge to identify and mitigate modern slavery risks across the supply chain. This year, our sourcing team conducted targeted employee training to those groups classified as of a higher risk of encountering modern slavery, and considered critical in our response.

The key outcomes of this training were:

- Defining modern slavery and its forms
- Explanation of the Modern Slavery Act
- Myer's modern slavery risks and roadmap
- Due diligence and actions taken by Myer to mitigate these risks
- Employees role in achieving the roadmap
- Signs and red flags of modern slavery
- Practical advice on what to do if modern slavery is suspected

#### Bespoke training

In order to address the risks outlined in our risk assessment, employees with a higher degree of responsibility as to our areas of risk were prioritised for target modern slavery training, this was in addition to general Modern Slavery training. During the reporting period, we trained 79% of priority employees from our merchandise buying, procurement, and supply chain and recruitment departments.

Merchandise training centred on the role buyer's play in ensuring their sourcing and purchasing practices are in line with business expectations, which includes ensuring that critical

paths consider the impacts on suppliers, safeguard on time delivery and minimise pressure on factories. In addition, training explored common human rights issues affecting the manufacturing industry today, including case studies on modern slavery in developed economies, and reported issues in cotton production and cobalt manufacturing as examples. In addition, an online merchandise hub was created to provide an additional education tool for buyers to source information on sourcing practices, and common questions on our modern slavery program and risk register.

Training for those within procurement, supply chain and recruitment roles focussed on risks associated with complex supply chains in both Australia and overseas, subcontracting, and the exploitation of migrant workers in Australia in industries typically associated with these departments such as cleaning, security etc.

### TRACING & TRANSPARENCY

In line with our three-year modern slavery roadmap, we continue work to gain greater visibility of our extended supply chain, including inputs, processing and raw materials suppliers. Whilst we have coverage of our private brand final production tier (tier 1), we continue to work to improve transparency of our supply chain beyond tier one. We appreciate that the complexity of our supply chain means that there may be risks in managing and achieving full transparency, however we remain committed to continuously analyse and re-educate ourselves to ensure minimisation of risk within our extended supply chain. During the reporting period, we made significant progress in key commodity areas such



as cotton, and continue to evolve our approach and implement strong foundations based on findings.

We have collaborated with Oritain who are independent specialists in tracing and verification of fibre origins. This tracing project allows Myer to validate the locations, which certain fibres are sourced from, and work back with the suppliers to obtain further information around the facility. Oritain was used to verify Certified Australian Merino Wool, and in future anticipate this program will be extended to certify origins of other raw materials, such as cotton.

### TRACEABILITY

Myer acknowledges the challenges heightened risk of sourcing locations of a number of raw materials, particularly cotton, which is an industry with allegations and reported human rights abuses in the farming harvest of stages of production.

Cotton is one of Myer's primary raw materials, and as such presents a high risk of exposure to modern slavery risks (such as child and forced labour, low wages and undocumented labour) in the supply chain. We are exploring avenues to gain a greater understanding of the complex cotton supply chains that exist in our operations, in order to improve our understanding of the sourcing location of cotton used in Myer products.

We prohibit the sourcing of cotton from where there are known or reported human rights abuses. Our modern slavery questionnaire validates this prohibition, and directly calls out these regions to identify if our suppliers or any of their suppliers, including contractors, employ workers from these regions. In addition, we ask suppliers how they ensure that raw materials sourced and used are from the specified region declared to Myer, to ensure that cotton being used in our products is not coming from prohibited regions.

We are constantly monitoring news and human rights reports to ensure the regions in which we source raw materials are not known to have human rights abuses, and we are open to any opportunities that will allow us to gain greater transparency over our cotton supply chain.

## DUE DILIGENCE (CONTINUED)

### SUPPLIER QUESTIONNAIRE

During the reporting period, we distributed our Modern Slavery Supplier Questionnaire which focuses on improving our understanding of our extended supply chain to assist in the categorisation of human rights risks. Questions focus around general policies and procedures in place, knowledge of migrant workers and global risks, as well as seeking information on raw materials used and sourcing locations.

Consistent with our risk assessment, this questionnaire was delivered to all private brand suppliers and their factories for completion. As approximately, 80% of our supplier base is in China, this questionnaire was translated and provided in both Chinese and English.

This questionnaire has greatly assisted us in moving beyond tier one of our supply chain, as it has provided us insight into the inputs and raw materials stages of our suppliers. This has validated our prohibition on the use of cotton and or raw materials from regions and countries with allegations or reports of human rights abuses including regions in Uzbekistan, Turkmenistan and the Xinjiang Uyghur Autonomous Region of China.

The questionnaire was incorporated into the onboarding process for new suppliers to ensure that suppliers have adequate processes in place to mitigate modern slavery, and to trace and understand their supply chain.

Where responses provided to the modern slavery or prequalification questionnaires are identified as presenting a risk, the diligence process may require further assessments and or continuous monitoring as

a requirement of on boarding. We continue to work back with our suppliers to understand potential risk areas and or areas for improvement. No instances of modern slavery have been found through the Questionnaire.

### Non-merchandise suppliers

In line with our risk assessment, procurement and certain non-merchandise suppliers were categorised as presenting a higher risk of modern slavery, due to these industries typically employing 'low skilled' workforces, migrant workers who are unaware of their rights and entitlements under Australian law. In addition, these industries are prone to subcontracting, which presents a risk in Australia as these suppliers remain unknown to Myer. Due to this, the Questionnaire was included as a pre-requisite to the tender process. No suppliers and their subcontractors can be onboarded without successfully completing the Modern Slavery Questionnaire, and providing sufficient information on their policies, procedures, and appropriate knowledge of their supply chain.

This Questionnaire is in addition to the pre-existing procurement

prequalification questionnaire process, which requires service providers to provide internal policies and procedures, and independent site audit reports

### GRIEVANCE PROCESSES

We recognise the importance of providing all workers within the global supply chain the opportunity to speak up and have their concerns heard. This includes all those who are direct or contracted suppliers of Myer. Accordingly, we have a number of reporting mechanisms in place to allow workers the opportunity to raise possible modern slavery and human rights issues in their local language and with anonymity assured.

During the year, we launched an alternative grievance mechanism, which allows workers to scan a QR code on their smartphone to raise an issue confidentially and if they choose, anonymously to Myer. This process utilises a process familiar to workers (e.g. WeChat in China, Whatsapp in India) and allows them to report the issue when convenient to the worker i.e. a quick scan for contact later.

### SUPPLIER QUESTIONNAIRE

As part of our review of a prospective vendor's questionnaire response, the supplier indicated that they had a practice of withholding personal identity documents such as passports of workers in Australia.

As the withholding of documents is a possible indicator of bonded labour, immediate action was taken to confirm the conduct. Through discussions and verification with the supplier, it was later revealed to be a misunderstanding of the word 'withholding,' and copies of identity documents were merely made to confirm workers eligibility to work.

This outcome highlights the importance of the supplier questionnaire and its effectiveness in flagging modern slavery risks issues across a range of supplier streams at Myer.

This mechanism was communicated to suppliers as part of a Supplier Code of Conduct, a summary of our Ethical Sourcing Policy and program through a poster to be displayed on the walls of the factory. This code of conduct was delivered to all private brand factories and was translated into Chinese for distribution. This poster is also available on the Myer Supplier Website.

Where issues are raised and validated, we will take appropriate action, including involving external agencies where necessary. It remains imperative that the welfare of the worker is protected in all instances; as such, we will seek to understand and prioritise their individual's needs and ensure appropriate remedy is provided. To date, no instances of modern slavery have been reported through the mechanism.

In addition to this grievance mechanism, the Myer Whistleblower

hotline is available to all those within our supply chains (in Australia and overseas) and is operated independently by a third party, which assures anonymity. Where issues are investigated and substantiated, we will take appropriate action, including involving external agencies where necessary for an example local government. In all instances however, we will seek to understand and prioritise the needs of the victim and ensure an appropriate remedy is provided.

### COLLABORATION

Collaboration forms a key part of our modern slavery program, as we acknowledge that the complex goals cannot be achieved in isolation. A number of our internal business units work together to ensure our program is effective in identifying and mitigating human rights risks, including those

across our procurement, merchandise, finance and ethical sourcing functions.

In addition, Myer works alongside other retailers and non-government organisations to share information, improve our knowledge and validate actions with regard to modern slavery. Over the year we have consulted with a number of organisations such as NARTA and the National Retail Association Modern Slavery Committee. Open discussions in these groups centre around sharing best practice, and the development of systems to achieve mutual goals and to avoid duplication of work, particularly that which places the compliance burden on the supplier and factory.

Myer remains open to working back with retailers, non-government organisations and multi-stakeholder initiatives, which promote collaboration to achieve outcomes.

### COVID-19

The COVID-19 pandemic and ongoing lockdowns continued to cause profound disruption and challenges to our business operation, with store closures and the stand down of staff in a number of states across Australia throughout 2021.

In addition to the disruption and challenges to our operations in Australia, the effects of the pandemic and associated human rights and modern slavery risk continued to impact global supply chains. As a result of this, our Ethical Sourcing Program was amplified throughout the year to better accommodate associated health and safety, and human rights risks. Specifically focus was placed on the safety and wellbeing of employees and workers and ensuring business continuity.

We continue to work with our valued suppliers, encouraging ongoing and open dialogue in relation to challenges and disruptions they are facing in their operations, and ensuring that our ethical sourcing and modern slavery initiatives continue to be followed throughout the chain of supply.



# MEASURING EFFECTIVENESS

WE ACKNOWLEDGE THE IMPORTANCE OF ASSESSING THE EFFECTIVENESS OF OUR ACTIONS TO MANAGE AND MITIGATE RISKS OF MODERN SLAVERY WITHIN OUR OPERATIONS AND SUPPLY CHAIN.

We continue to work to understand and track the effectiveness of our actions and performance through internal and external mechanisms. Our progress against our roadmap which outline the key initiatives is monitored by the Assurance team and reported to the Board. For this reporting period, we have assessed the effectiveness of our actions against the following activities:

| ACTIVITY                   | MEASUREMENT  |
|----------------------------|--|
| <b>Governance</b>          | <ul style="list-style-type: none"> <li>Board has oversight of the ethical sourcing framework</li> <li>Reviewed and revised policy and procedures to ensure compliance to modern slavery</li> <li>Employee code of conduct oversight</li> <li>Ongoing training to business employees</li> <li>Standard contract templates updated</li> <li>Supplier code of conduct delivered to all private brand suppliers</li> <li>Reporting and progress provided to Audit, Finance and Risk Committee and Board</li> </ul>   |
| <b>Participation</b>       | <ul style="list-style-type: none"> <li>Executive management and senior leadership engaged</li> <li>Acceptance of Myer contractual terms, specifically to comply with all Myer policies and standards</li> <li>All new and recontracted suppliers have agreed to the Myer Ethical Sourcing Policy and Whistleblower Policy</li> <li>Consent from private brand suppliers to access factory sites</li> <li>Requirement for all private brands to complete the modern slavery questionnaire</li> <li>Engaged with industry stakeholders and peers – our risk management approach is validated against a broad network of stakeholders and external organisations, including other retailers, valued suppliers, investors, non-government organisations and human rights global benchmarking tools. In collaborating with a variety of external experts, our modern slavery approach was validated</li> </ul>  |
| <b>Risk Management</b>     | <ul style="list-style-type: none"> <li>Annual risk review and assessment to identify and validate risks</li> <li>Risk profiling and rating matrix refined</li> <li>over 600 key employees trained</li> <li>Engaged high-risk suppliers, private brand and procurement suppliers. No critical concerns or issues raised</li> </ul>  |
| <b>Monitoring</b>          | <ul style="list-style-type: none"> <li>Third party audits – findings from audits completed, including the number of corrective action plans or those considered to be high-risk or require immediate attention are used to establish potential indicators of modern slavery. Monitoring and benchmarking of suppliers assists to understand the extent our Ethical Sourcing Program is effective</li> <li>Modern Slavery Questionnaire sent to all private brand suppliers to assist in further risk identification and to validate risk assessment previously conducted</li> <li>Identification of at risk suppliers through the supplier questionnaire, remediated through collaboration with supplier</li> <li>Identification of factory falsifying audit document, termination of factory</li> <li>Corrective action plans – 54 high risk issues were identified, most relating to excessive working hours. Detailed corrective action plans in place to address findings. We continue to work with suppliers to ensure that actions are implemented in a timely manner and are sustainable. We will terminate contractual arrangements where the supplier shows an unwillingness to remediate non-conformances identified</li> <li>Site visits – supplier and factory onsite visits allows us to review processes and validate audit results and corrective action plans. Due to the pandemic, limited site visits were conducted in the reporting period</li> <li>Worker voices and engagement – no reported incidents of modern slavery or modern slavery like practices</li> </ul> |
| <b>Training</b>            | <ul style="list-style-type: none"> <li>Targeted training delivered to 79% of employees – providing insight into key modern slavery risks, how to identify red flags and how to mitigate these risks</li> </ul>   |
| <b>Grievance mechanism</b> | <ul style="list-style-type: none"> <li>Worker voices are heard through our confidential and anonymous Whistleblower hotline. No reports of modern slavery or modern slavery indicators reported</li> <li>Additional grievance (contact) mechanism added, no reports of modern slavery or modern slavery indicators have been identified through the mechanism</li> </ul>   |

# CONSULTATION

All brands reporting into Myer Holdings Limited operate under a common and consistent governance framework to build expectations, raise awareness and approach in assessing and addressing modern slavery risks in our operations and supply chain. All brands share the same executive management team and have contributed to the framework and assisted in the drafting of this Statement.

# MODERN SLAVERY ACT REPORTING CRITERIA

All brands reporting into Myer Holdings Limited operate under a common and consistent governance framework to build expectations, raise awareness and approach in assessing and addressing modern slavery risks in our operations and supply chain.

| CRITERIA   | RELEVANT SECTION IN STATEMENT |
|--|-------------------------------|
| Identify the reporting entity  | Introduction                  |
| Describe the structure, operations and supply chains of the reporting entity   | Our business & supply chain   |
| Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls                            | Our modern slavery risks      |
| Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | Due diligence                 |
| Describe how the reporting entity assess the effectiveness of such actions   | Measuring effectiveness       |
| Describe the process of consultation with any entities that the reporting entity owns or controls  | Consultation                  |
| Provide any other information that the reporting entity, or the entity giving the statement, considers relevant  | Roadmap, COVID-19             |

This statement is approved by the Myer Holdings Limited Board



**John King**  
Managing Director and Chief Executive Officer