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# MYOB Modern Slavery Statement

FY 2020

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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.

This Statement is prepared in accordance with the *Modern Slavery Act 2018* (Cth). 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 2020 to 31 December 2020 (**Reporting Period**).

At MYOB, we are committed to helping businesses in Australia and New Zealand start, survive and succeed. We provide business management solutions and technology to businesses of every type and size. 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. We are committed to improving our systems and practices to identify and address modern slavery risks across our operations and supply chain.

## MYOB’s structure, operations and supply chain

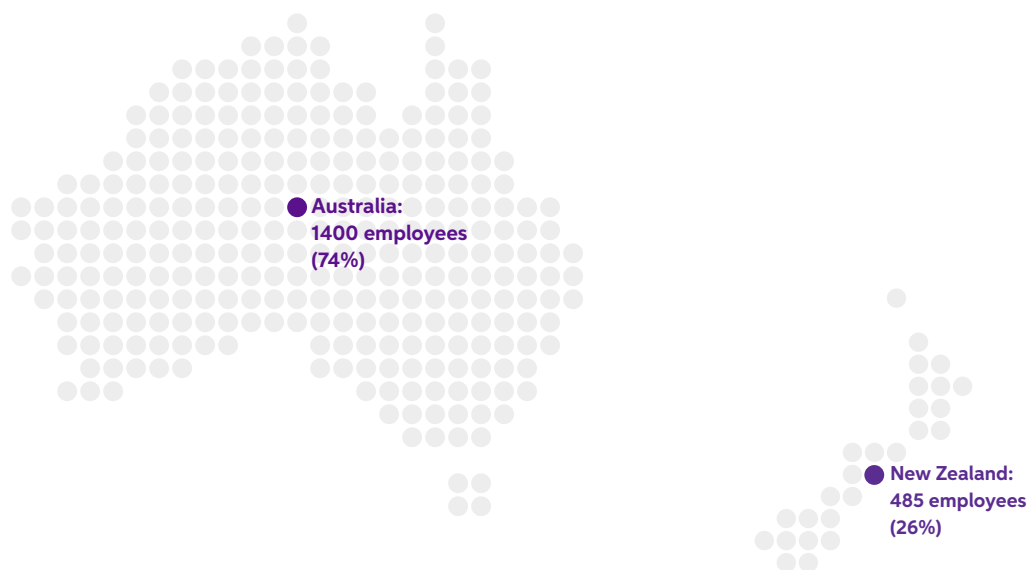
### Our structure and operations

MYOB Australia Pty Ltd is headquartered in Melbourne, Australia. Our registered office is Unit 301, 168 Cremorne Street, Cremorne VIC 3121. The registered office for MYOB Group Co Pty Ltd is Level 16, 201 Elizabeth Street, Sydney NSW 2000.

The MYOB group carries on business in Australia and New Zealand through subsidiaries in Australia and New Zealand, including MYOB Australia Pty Ltd in Australia.

MYOB group’s companies all operate in the same industry sector.

As of 31 December 2020, our workforce comprised 1,885 employees across Australia and New Zealand performing the following types of roles: software and technology roles such as developer software engineers; shared services roles such as accounts, finance, legal, human resources, sales and marketing.



### % of Employees by Function and Country as at 31 Dec 2020

Function	AU	NZ	Grand Total
Shared Services	6%	3%	9%
Product	7%	1%	8%
Technology	22%	6%	28%
Sales, support and marketing	39%	17%	56%
Grand Total	74%	26%	100%

### Our supply chain

As a technology business, MYOB's key spend categories are:

Categories	Description
Independent contractors	Individuals who directly subcontract with MYOB
Third party professional services	Professional services providing services such as project management, software engineers, product specialists, accounting, financial and legal services
IT software solutions	IT software, cloud platform services and computer systems
IT hardware and maintenance	IT hardware used by our employees
Outsourcing services	Contact centre support services
Marketing	Advertising and marketing services and products
Facilities	Office operations such as cleaning, security and repairs and maintenance, and office consumables across our 9 offices

The geographic footprint of our suppliers includes (but is not limited to) Australia, New Zealand, the United States of America, the United Kingdom, Germany, Canada, China, Singapore and Thailand.

## Modern slavery risks in our operations and supply chain

### Risks in our Operations

The modern slavery risks in our operations are low. This is because:

- + The Australian technology industry is considered to be a low risk industry for modern slavery.<sup>1</sup>
- + We comply with Australian and New Zealand employment laws which regulate the recruitment and remuneration for our direct workforce.
- + We have human resources specialists located in both countries who support us with employment law compliance.
- + As a technology company, much of our workforce are tertiary educated professionals.
- + We have policies in place to ensure our employees comply 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
  - Code of Conduct
  - Professional Conduct & Ethics Policy
  - Whistleblower Policy
  - Health, Safety & Wellness Policy
  - Disciplinary Policy
  - Grievance Policy
  - Background Check 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

For the first reporting period, we focused our risk assessment on the supply chain of MYOB Australia Pty Ltd as this is the Australian trading entity, and its supply chain is representative of the procurement categories of the broader MYOB group.

In conducting this assessment, we first considered sector and industry risks, product and services risks, and geographic risks. We targeted our supplier due diligence based on spend and industry. Our approach to due diligence is detailed in this Statement under the heading "Actions taken".

The following procurement categories relevant to our business may carry a higher risk of modern slavery:

- + IT and telecommunications (hardware and software)
- + Outsourcing (contact centre)
- + Marketing and events (including merchandise and catering)
- + Facilities (including cleaning, security and repairs and maintenance, and office consumables)
- + Other office expenses (Courier services and business travel)

The increased risk profile of these categories can be due to a combination of factors such as: the prevalence of subcontracting arrangements leading to decreased supply chain transparency, labour intensive work coupled with low barriers to entry, workers from vulnerable backgrounds including migrant workers and operations in countries with higher risks for modern slavery.

Most of our payments to suppliers during the Reporting Period were made to technology suppliers domiciled in Australia and the United States. As noted, the technology industry in Australia and also the United States (within which our largest suppliers by spend operate) are not high risk industries for modern slavery. We note, however, that where these suppliers supply goods or services that originate from other jurisdictions, that jurisdiction is also relevant to our risk assessment.

## Actions taken

During the Reporting Period, MYOB took steps to improve and strengthen our risk management process. We adopted a pragmatic risk-based approach with a focus on continuous improvement to assess and address modern slavery risks within our operations and supply chain. A summary of our actions is set out below.

### Modern Slavery Questionnaire

As part of our due diligence, we issued a modern slavery questionnaire to a subset of our suppliers based on annual spend and provision of goods or services from the above procurement categories. The questionnaire requested information on suppliers' approach to assessing and addressing modern slavery risks.

The process provided insight into our direct suppliers' capability to assess modern slavery risks in their operations and supply chains. There were no concerns relating to modern slavery identified in our due diligence. As a result of the questionnaire, we took action including:

- + We requested that a catering supplier provide us information regarding their coffee bean supply chain given the associated risks of forced labour. The supplier gave us assurances that they only purchase sustainably sourced coffee beans.
- + We reviewed the supporting information provided by suppliers which included codes of conduct, modern slavery statements and policies to assess their approach to modern slavery.
- + Some cloud computing and ICT suppliers indicated they have operations in regions generally considered to have higher modern slavery risk, such as the Pacific Islands and Asia. We have identified areas for improvement with these providers and will continue monitoring their progress in the next reporting period.

### Supplier Code of Conduct

We published a [Supplier Code of Conduct \(Code\)](#) which sets out our minimum expectations and requirements 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. We have sent this Code to our key suppliers and have started including the Code into our standard contractual terms with some of our new suppliers. This Code is published on our [website](#).

We will review and update the Code over time to ensure it aligns with our business' priorities and stakeholders' expectations.

### Centralised contract management system

MYOB is implementing a Contract Lifecycle Management (CLM) system, which will centralise the processing and storage of all MYOB's supplier contracts. The system will facilitate the source to contract stages of all MYOB agreements, assisting contract owners with best practice procurement methods. We will incorporate modern slavery considerations in our supplier procurement flow within the system in the next reporting period.

### Standard contractual terms

We have reviewed our template services agreement and drafted modern slavery clauses for inclusion into new contracts with new suppliers, and contracts that are up for renewal. These standard contractual 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.



## Governance framework

During the Reporting Period, we established a modern slavery steering committee to provide oversight and governance.

We also established a working group (reporting to the steering committee) to review our business and supply chain activities, and to coordinate the ongoing implementation and management of the activities included in this Statement. The working group is made up of team members from different parts of the business - Legal, Governance Risk and Compliance, Employee Experience, Workplace Experience, Corporate Affairs and Executive teams. The group meets every month and is responsible for implementing appropriate practices to review, manage and mitigate potential modern slavery risks across our businesses, operations and supply chains.

## Employees

### *Remuneration*

On an annual basis, MYOB analyses market conditions and MYOB's position relative to the market for remuneration. MYOB engages an external remuneration specialist and participates annually in a market remuneration review. Remuneration adjustments are generally made annually based on this review. In addition, we ensure we are compliant with relevant Industrial Awards.

### *Working Rights*

During the recruitment process, all prospective MYOB employees are required to provide evidence of working rights. Our Employee Experience team also checks that those we recruit are of legal working age.

## Learning

MYOB provides online learning modules to employees. We provided new modules on whistleblowing and modern slavery to selected employees. We delivered Whistleblowing training to the legal and Employee Experience (human resources) teams and employees that were considered as eligible recipients under MYOB's whistleblower policy. Modern slavery training was delivered to employees who have high involvement with the business' procurement process including senior leadership, legal, compliance, procurement and workplace experience teams.

The modules will be updated as required and be completed annually.

## Remediation Process

We have the following mechanisms in place for our employees and third parties (suppliers and contractors) to report suspected or actual improper conduct:

- 1) **Whistleblower Policy:** Sets out the processes and protections for employees and third parties to raise concerns (including anonymously) about alleged misconduct, including improper conduct relating to modern slavery.
- 2) **Supplier Code of Conduct:** The Code provides a mechanism for suppliers to contact MYOB's Whistleblower Protection Officer if they have any concerns. When a supplier does not meet our requirements, corrective action plans will be established and monitored for progress. We will terminate the relationship with suppliers that repeatedly and knowingly violate our Code.

## Assessing the effectiveness of our actions

MYOB acknowledges that industry risk is only one of the factors in assessing overall supplier risk. However, as we continue to enhance our procurement, due diligence and governance processes, we expect to expand our supply chain assessment year on year. We expect that our continuous improvement approach will enable MYOB to embed effective measures responsive to risks.

The working group has key performance indicators (KPIs) to measure the quantitative impacts of our actions:

- 1) Number of suppliers issued a modern slavery questionnaire as part of our supplier due diligence process;
- 2) Number of suppliers that received our Code;
- 3) Number of suppliers that agreed to our Code;
- 4) Target completion rate for employees completing modern slavery training; and
- 5) The proportion or number of complaints resolved by a grievance mechanism in relation to modern slavery risks.

## Our next steps

For the reporting period ending 31 December 2021, MYOB will focus on:

- 1) Expanding our scope of supplier due diligence of higher risk supply chain categories;
- 2) Improving our procurement process through implementing modern slavery considerations within the new CLM system;
- 3) Delivering modern slavery training to wider segments of employees;
- 4) Continuing update standard contract terms to include obligations regarding modern slavery. This will apply to new contracts and existing contracts that are up for renewal; and
- 5) Further assessing and adjusting our KPIs to monitor, measure and improve the effectiveness of our actions.

The process of consultation in preparing this Statement, as between the reporting entities involved consultation with the Executive Management of each entity. The content of this Statement was tabled for review with the Chief Executive Officer and with the steering committee, all of which service and support each reporting entity.

This is a joint statement made by MYOB Australia Pty Ltd and MYOB Group Co Pty Ltd and has been approved by the Board of each reporting entity on **17 June 2021**.



Greg Ellis

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