



michael hill®
INTERNATIONAL LIMITED

MODERN
SLAVERY
STATEMENT
2022

OUR COMMITMENT

At Michael Hill, our role is to help create the moments that matter for our customers, environment, our communities and our teams. Founded in New Zealand, Michael Hill International Limited and its subsidiaries (Michael Hill or the Group) has expanded to also operate in Canada and Australia, with our supply chain spanning across the world. People are the heart of Michael Hill and are the reason we exist. Across our entire value chain – customers, suppliers, team and communities – people are vital to bringing our brand to life.

Modern slavery has the potential to exist within our complex supply chain and this is a systemic challenge across the jewellery industry. Per the International Labour Organisation, 49.6 million people were living in modern slavery in 2021 and we want to be a part of the solution to fix this global issue.

In August 2022 we released our 2030 Sustainability Goals and Vision, which enhances the delivery of our modern slavery roadmap and outlines our strategic direction to become a more responsible and sustainable business. Our focus on our three core pillars (People, Product, Planet) ensures we are protecting our ecosystem and contributing to and improving the lives of the communities we serve in meaningful ways and for generations to come.

Our People pillar aims to improve the lives of people across our value chain. To achieve this goal, three key areas of focus are crucial – Responsible Suppliers, Empowering Women and being a Great Place to Work. Our Responsible Supplier goal outlines that by 2030, 100% of our suppliers will meet our expectations on their social and environmental impacts.

The Product pillar further supports our sustainability goals of responsible sourcing and sustainability, and we have already made progress in our transparency and metal stewardship areas by enhancing awareness on product origin and traceability.

Michael Hill sets high standards and expectations of our suppliers, and is working closely with our key suppliers across our sourcing and procurement ecosystems to ensure our suppliers' operations comply with our responsible sourcing practices. Our responsible sourcing practices extend beyond Responsible Jewellery Council (RJC) certification requirements and include other recognised and relevant industry sourcing standards. We recognise there is opportunity to lead the jewellery industry through offering innovative product and service solutions aligning to a sustainable future. We also understand that businesses

cannot eradicate global slavery in isolation and that collaboration with consumers, society, government and investors is key, recognising that companies have a critical role in assessing, mitigating, and preventing forced labour and slavery throughout their business activities.

As a Group, we agree with and support the Australian Modern Slavery Act and are committed to upholding human rights and fair working conditions across all our operations. We are consistently striving to improve the already high benchmarks we have set in the business and take a zero-tolerance approach to modern slavery in any of its forms in our operations and supply chains. We want to become an industry leader in this space and are looking to partner with like-minded bodies to advocate for systemic change within the jewellery industry in order to enhance ethical and environmental standards relating to this complex issue.

OUR MODERN SLAVERY STATEMENT

This is the third Modern Slavery Statement for Michael Hill covering the financial year ended 26 June 2022 (FY22). The statement outlines the approach and actions taken by the Group to identify, manage and mitigate risks of modern slavery. This statement addresses the mandatory criteria outlined in the Modern Slavery Act 2018 (Cth) and includes a plan for clear action outlining our current achievements, our continued journey and commitments ahead.

Whilst we have not identified instances of modern slavery, we are focused on our continuous improvement approach to addressing modern slavery and are transparent across our business on addressing this issue.

APPROVAL

This statement was approved by the Board of Directors of Michael Hill in their capacity as the overarching governing body for the Group on 22 December 2022.

This statement is signed by Daniel Bracken in his role as Managing Director and Chief Executive Officer of Michael Hill on 22 December 2022.



Regards,

Daniel Bracken
Managing Director and CEO



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“At Michael Hill we exist to create the moments that matter for our customers, environment, our communities and our teams.”

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Michael Hill is a market leading, premium jewellery brand, operating a network of physical and digital stores across Australia, New Zealand and Canada.

OUR STRUCTURE

Michael Hill is an international omni-channel jewellery retailer, providing customers with Michael Hill branded jewellery, related product care packages and repairs. The parent company, Michael Hill International Limited, headquartered in Brisbane Australia, is a public company listed on both the Australian Securities Exchange and the New Zealand Stock Exchange (ASX/NZX: MHJ).

The Group operates through two brands, Michael Hill and Medley. All Group activities operate under the direction and governance of the Board of Michael Hill International Limited and all share the same executive management and senior leadership team. A list of Michael Hill controlled entities is available in the Annual Report and further information on Michael Hill can be found on the investor website at investor.michaelhill.com.

OUR OPERATIONS

RETAIL BRANDS

michael hill®

Effective 26 June 2022, the Group has omni-channel and digital offerings in Australia, New Zealand and Canada and directly operates a total of 280 Michael Hill branded stores – 147 stores in Australia, 48 in New Zealand and 85 in Canada.

MEDJEY™

Medley is a pure-play e-commerce business available in Australia and other international markets, and products are sourced through the Michael Hill supply chain. Further information on Medley can be found at medleyjewellery.com.au.

EMPLOYEES

Around the world, the Group employs over 2,500 employees across retail sales, manufacturing and corporate roles, with the majority of these roles based in our retail network. The retail team is supplemented with a seasonal casual workforce to cater for peak trading and performance periods in the retail calendar. During the festive season there are more than 1,000 new team members, with a large number becoming permanent or part time members of staff in the subsequent months.

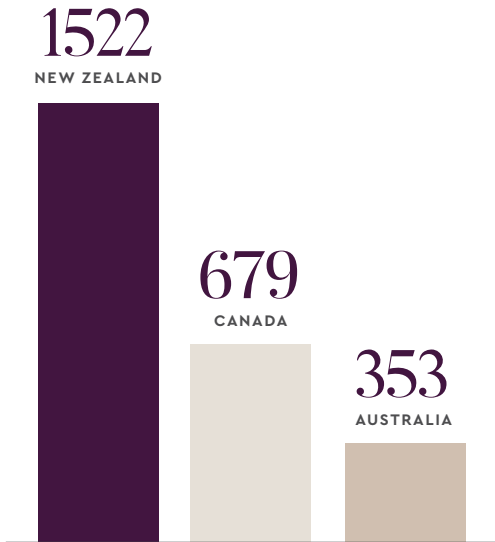
HEAD OFFICE

Our head office is located in Brisbane and houses our manufacturing, distribution and corporate divisions. Our distribution centre supplies products across the store network and to our e-commerce customers. Michael Hill opened its Canadian third-party logistics distribution centre in Ontario in 2021 and now services the Canadian store and online customer network, ensuring there is reliable and continued supply of optimal stock levels and improved speed of delivery to our customers.

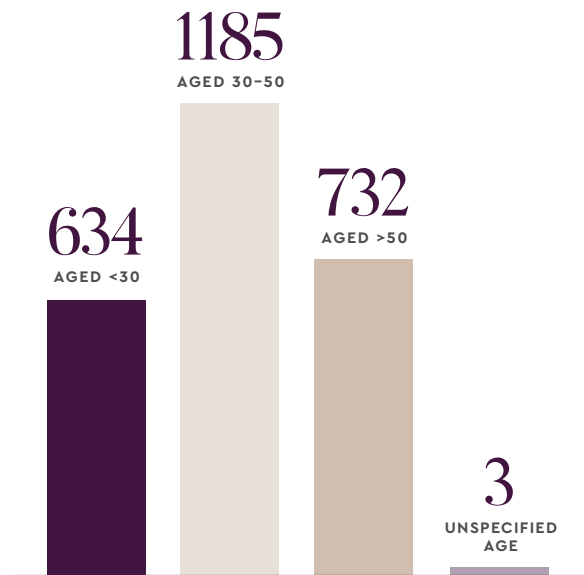
Many of the Michael Hill branded jewellery pieces are crafted locally in-house by a team of over 25 master jewellers in our Australian manufacturing workshop. Our Australian artisanal workshop is located within our global offices and generates 20% of sales. We are now partnering with local higher education groups to create a local Michael Hill apprenticeship program. By having our in-house workshop located at head office and alongside our distribution centre ensures our manufacturing team are a central, integral part of our organisation as we continue to increase our focus on, and delivery of, quality product from this area. Our craftspeople bring our beautiful Made in Australia pieces to life. Made in Australia solitaire engagement rings account for 73% of all solitaire engagement rings.

OUR TEAM STATISTICS

As at 26 June 2022 employee numbers across our markets out of a total 2554



Age Distribution



Gender Split

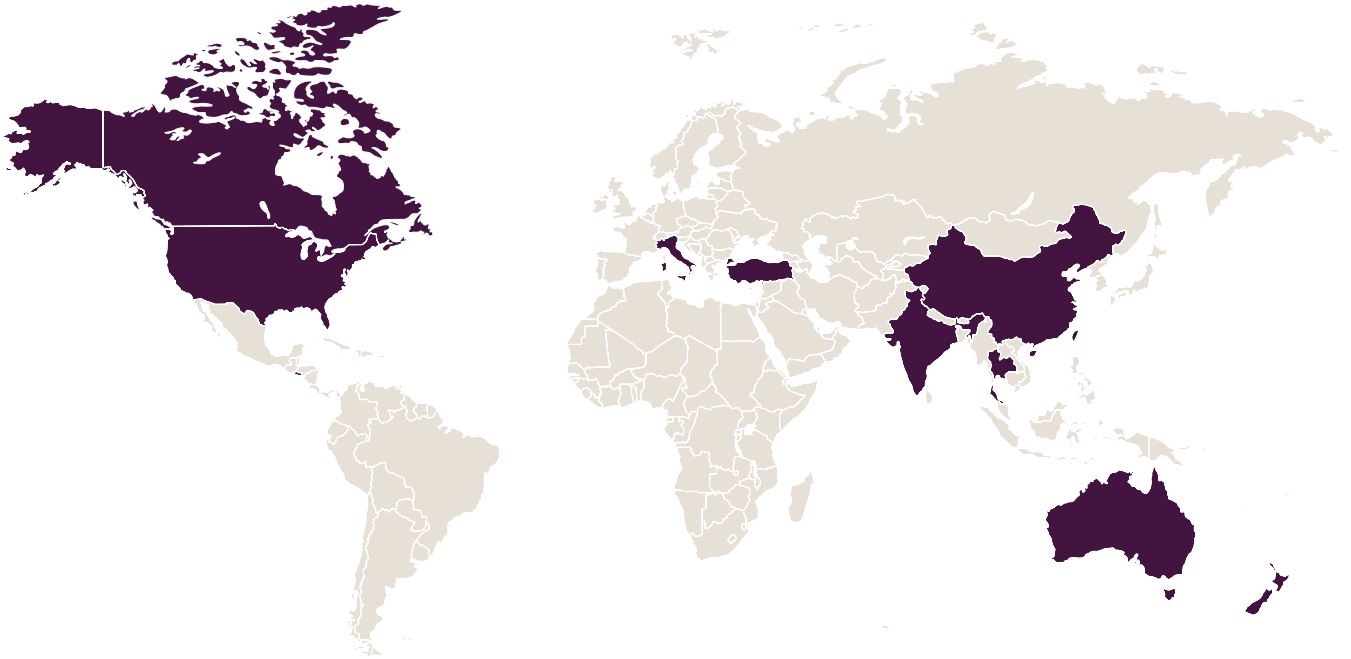


4 EMPLOYEES HAVE NOT PROVIDED GENDER INFORMATION

“We pride ourselves on having a highly engaged and enabled workforce who love what they do and where they work.”

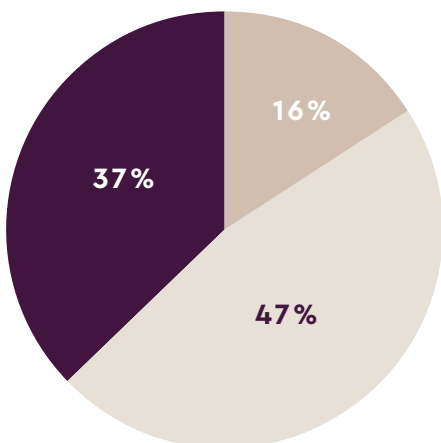
OUR SUPPLY CHAIN

We are aware there is potential for modern slavery risk in our supply chains given Michael Hill's global footprint and our diverse supply chains associated with sourcing our products, including sourcing from various geographic locations as shown below:

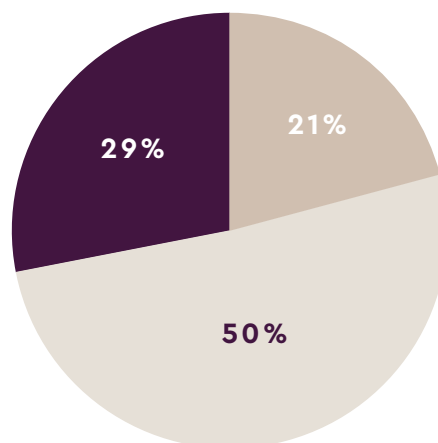


Michael Hill's procurement, merchandising and leasing teams manage our supplier relationships, with business support provided by our Risk and Compliance and Legal teams. In FY22 we worked with approximately 1,000 suppliers globally with a total consolidated spend of **\$413 million** (including retail store leases), of which **\$163 million** (40%) is attributed to our top 10 suppliers, and broken down across the following areas:

FY22:
PROFILE OF TOTAL
CONSOLIDATED SPEND



FY21:
PROFILE OF TOTAL
CONSOLIDATED SPEND



- Leases
- Inventory - Jewellery Supply Chain
- Other - Non-Stock Procurement

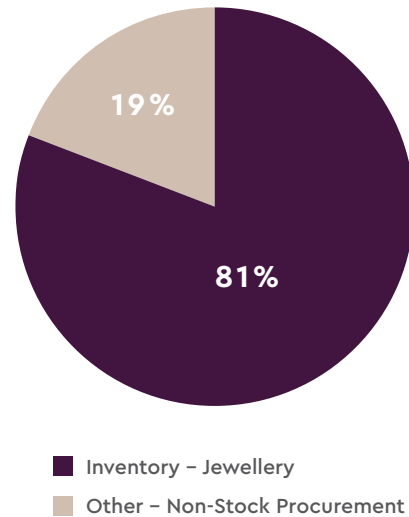
JEWELLERY SUPPLY CHAIN

Our jewellery supply chain comprises finished goods, raw materials, loose stones or component parts, and six of the top ten suppliers are in this category (other suppliers providing marketing and digital services).

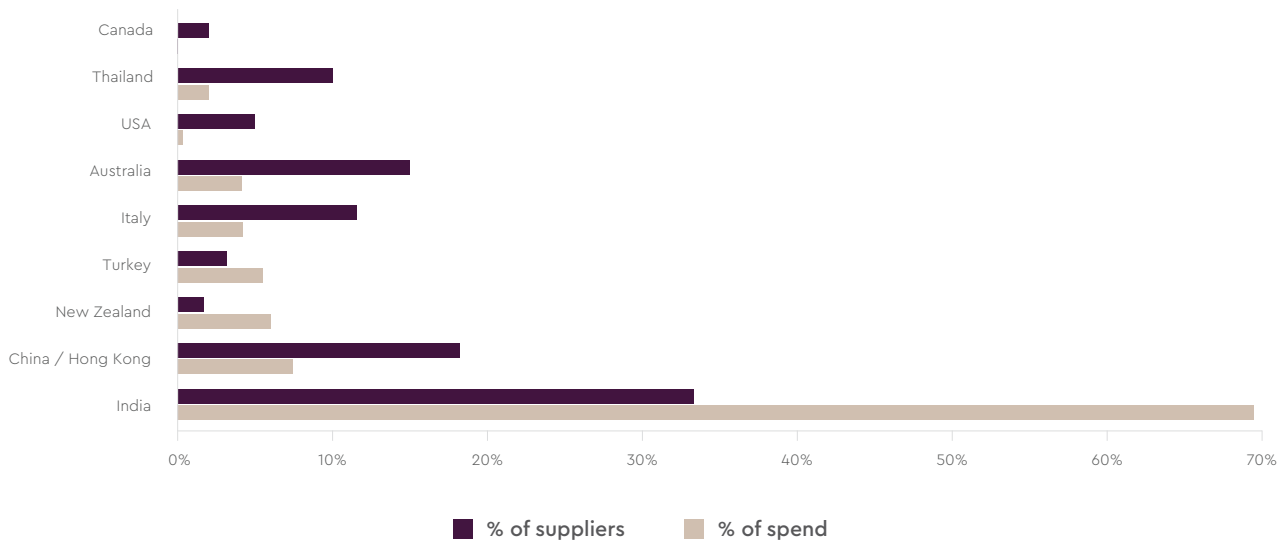
Given the nature of our products and materials sourced, Michael Hill's supply chain indirectly incorporates the mining operations from which raw materials used in jewellery products are sourced, and intermediate parties sourcing materials prior to procurement by Michael Hill.

Michael Hill has a jewellery supplier base of **60 jewellery suppliers** (as loaded on the supplier platform effective 30 June 2022), many of which we have well-established and long-standing relationships. A breakdown of our jewellery supplier base including profile of total spend per country is shown below. Refer to Section **Supplier Due Diligence – Progress made in FY22** for further details regarding the profile of our suppliers, including certification status.

Profile of Top 10 Supplier Spend



Profile of Jewellery Supplier Spend per Country (excluding Michael Hill's Australian local production)



OTHER – NON-STOCK PROCUREMENT

The other – non-stock procurement category includes suppliers whose services contribute to our operations and administrative functions, including:

- Marketing, merchandising and display suppliers
- Technology support
- Transport
- Digital and media
- Third party jewellery repairers
- Store fit-out services
- Corporate services (Finance, HR)
- Security services
- Maintenance and cleaning.

RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

Michael Hill considers three key risk areas as part of our modern slavery risk – entity, geographical and supply chain.

ENTITY RISK

Entities may have higher risk of modern slavery due to factors of poor governance structures or known instances of human rights violations. As part of our annual risk work, we undertake risk assessments of our processes and business units to determine a holistic view of our exposure to and risk of modern slavery practices within the Group's operations and supply chain. This risk assessment considers several factors, including the geographical location of suppliers, products and services being procured in the supply chain and the activities undertaken by the Group. This assessment further considers the controls in place to mitigate the risk of modern slavery within the Group's operations and supply chain. All companies within the Group's control were considered and consulted.

The Group's exposure to risks of modern slavery practices are primarily concentrated in our jewellery supply chain, given the geographical spread of suppliers and countries with a higher global slavery index and the nature of product supplied by these suppliers. Mining is specifically called out as one of these risks and we continue to gain visibility of the upstream impact on our supply chain.

Although our jewellery supply chain remains our primary focus area, and will continue to for subsequent years, a risk-based approach is applied to the onboarding of our suppliers onto our Supplier Platform, including the identification of non-jewellery providers that have a heightened risk of modern slavery.

GEOGRAPHICAL RISK

Varying geographic locations and countries may have a higher risk of modern slavery, which is attributed to factors such as a weak rule of law, governance, migration flows, conflict and weak economic factors such as poverty.

The geographical risk of our suppliers is calculated using reputable global indices, including the 2018 Global Slavery Index. The 2018 Global Slavery Index identified Michael Hill's

three regions of operation (Australia, New Zealand and Canada) as low in terms of prevalence of modern slavery and vulnerability of population. The Government response to modern slavery in all three regions is rated as high.

The societal environments of these nations, coupled with the internal governance, control and reporting mechanisms in place means that the risk that operations directly result in modern slavery is low.

Our employees are employed under employment awards and contracts within Australia, New Zealand and Canada. These countries have formal employment practices to protect employees' rights.

In Australia there has been several companies who have underpaid workers in the retail sector. For transparency purposes, Michael Hill recognised this early in FY19 and have a plan for remediation. We have worked with external parties to ensure the remediation is correct, and fairly completed. The program focused on repayment to underpaid workers, of which the majority of workers have now been paid their entitlements. The remaining unpaid portion relates to former team members. Of the outstanding team members to be paid, Michael Hill is waiting on either missing information, waiting for contact details to be updated or team members have declined or cannot be contacted.

Geographic impacts do exist in our supply chain, and these are described below.

ASIA

The Group sources several products and raw materials from countries that have an identified increased risk of modern slavery. Higher risk supplier countries include India, Thailand, Myanmar and China. Particularly, gems sourced from India were listed in the US Department of Labor's 2018 List of Goods Produced by Child Labor and Forced Labor. Again, while Michael Hill conducts due diligence activities in relation to its suppliers, there are inherent risks due to the high volume of goods purchased from suppliers and the complex upstream supply chains which operate in these countries.

The majority of our suppliers in India, China and Thailand are certified members of the RJC. We have worked closely with these suppliers to understand their operations and supply chains and commitments to responsible sourcing. The risk of modern slavery in these suppliers is low given the due diligence performed and close supplier relationship Michael Hill maintains with these suppliers.

EUROPE

The Group deals with several Italian and Turkish suppliers to source finished jewellery. Italy has a low to medium risk of modern slavery per the Global Slavery Index. Turkey has a higher prevalence to modern slavery and vulnerability of population and a lower government response rating. We are working with a handful of our Italian suppliers regarding their responsible sourcing accreditation, including RJC certification. We are also exiting one Italian supplier who is not RJC certified.

CENTRAL AMERICA

The Group deals with one jewellery packaging supplier in El Salvador. El Salvador has a lower prevalence to modern slavery, however, a higher vulnerable population and lower government response rating.

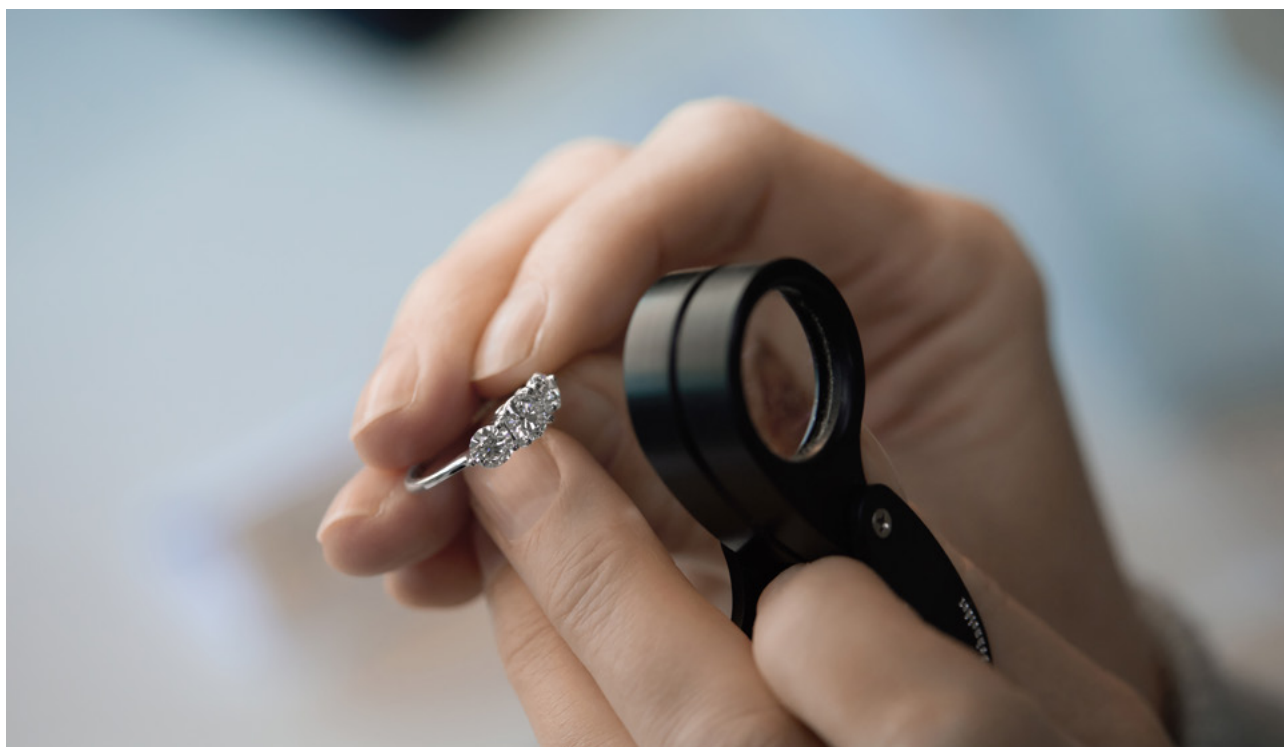
We are actively working with this supplier to further understand their modern slavery practices and any required remediation. Ongoing oversight and due diligence by management (i.e. Procurement and Risk and Compliance) with this supplier is required to ensure our requirements are fully met and will remain a focus leading into the next reporting period.

SUPPLY CHAIN RISK

Certain industries have higher exposure to modern slavery risks due to characteristics or products or services sold. As a leading brand in the jewellery industry, we recognise that our supply chain is long and complex and the inherent supply chain risk exposures that come from operating within the global mining and extraction industry, especially artisanal, small-scale informal mines. While Michael Hill proactively and through formal processes seeks to avoid using any materials sourced from such mines, and currently don't source directly from mines or artisanal small-scale miners, difficulties do exist in gaining complete transparency over the full upstream supply.

For example, there is limited guidance and inherent risk over sourcing practices in the coloured gemstones and pearl industries comparative to the diamond and precious metal industry. In response to the limited guidance available, Michael Hill took the initiative to develop a risk matrix which assesses all coloured stones and pearls based on country of origin in accordance with the country-level Corruption Perception Index and the Global Slavery Index, providing intelligence to our sourcing teams over product and sourcing countries to avoid.

With these inherent risks and the complexities that exist within our supply chain, Michael Hill is committed to maturing its supplier due diligence processes on all suppliers in the coming years and extending this to their supply chains and suppliers.



HOW WE ADDRESS MODERN SLAVERY RISKS

GOVERNANCE AND OVERSIGHT

The Board of Michael Hill are responsible for the oversight of the Group's governance, strategy and execution of the business plan. Further, the Board are responsible for:

- Compliance with Michael Hill's Code of Ethics and Code of Conduct
- Progress in relation to Michael Hill's diversity objectives and compliance with the Diversity and Inclusion Policy
- Overseeing the management of modern slavery risks through the Group's compliance processes and risk management framework.

The Board has established two committees:

- Audit & Risk Management Committee
- People Development & Remuneration Committee.

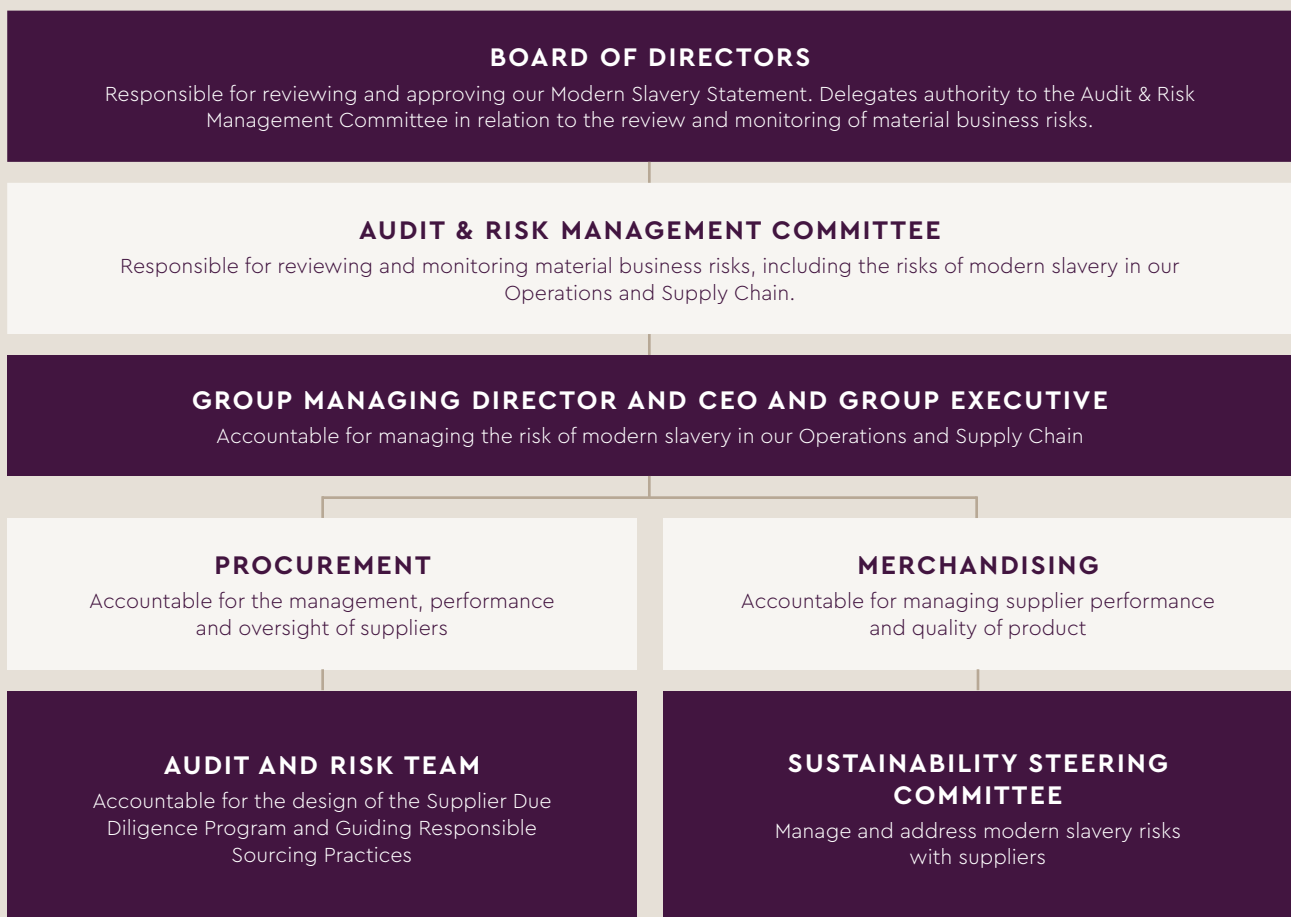
Day to day management of the Group's affairs and the implementation of the corporate strategy, policy initiatives and budgets are formally delegated by the Board to the Managing Director and Chief Executive Officer and Group

Executives. The Managing Director and Chief Executive Officer and Group Executives are accountable to the Board and provide information to the Board on those activities, in a form and of a quality required by the Board to enable it to discharge its duties.

Furthermore, modern slavery risk is addressed through our Procurement Committee where contract execution processes are completed on the premise the supplier has completed an Ethical Supply Chain Questionnaire and has satisfactory processes regarding the management of modern slavery risk, including a return and signed copy of the Code of Business and Code of Conduct for Suppliers. In the FY23 reporting cycle, any modern slavery issues concerning our suppliers will also be addressed through the newly established Sustainability Steering Committee.

The Audit and Risk team liaise with procurement and relevant business stakeholders where any concerns are identified regarding compliance with this risk.

The governance framework for the management of modern slavery at Michael Hill is shown below:



POLICIES AND EDUCATION

Our policies and procedures are the basis for how we operate, including identifying and addressing risks of modern slavery.

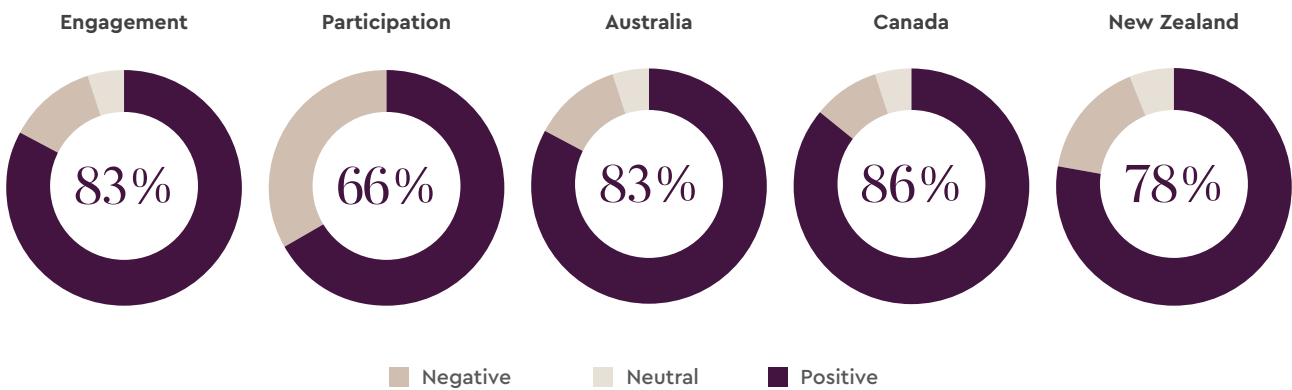
The Board has established a **Code of Conduct** (the Code) for its directors, senior executives, and employees. The Code establishes the principles, standards and responsibilities to which Michael Hill is committed with respect to both its internal dealings with employees and consultants, and external dealings with shareholders and the community at large. In summary, the Code requires that Michael Hill personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Michael Hill policies. The Code also requires employees, directors and contractors who are aware of unethical practices within the Group or breaches of the Code to report these to management (which can be done anonymously in accordance with Michael Hill's Whistleblower Policy). A **Grievance Procedures Policy** is available to all employees and provides guidance on the formal and informal grievance management processes.

Michael Hill's **Anti Bribery and Corruption Policy** outlines our commitment to operating our supply chain, business activities and business relationships in a professional and fair manner and Michael Hill's expectations of all personnel in observing and upholding Michael Hill's position on bribery and corruption.

Michael Hill has a **Diversity and Inclusion Policy** governed by a dedicated steering committee. This policy outlines Michael Hill's commitment to fostering a diverse and inclusive workplace, and includes requirements for the Board to establish measurable objectives for achieving diversity and to review annually the objectives and Michael Hill's progress.

Our employee engagement survey provides key insights into our cultural wellbeing and employees' connection with our purpose and ambition at Michael Hill. We pride ourselves on having a highly engaged and enabled workforce who love what they do and where they work. Our Pulse Engagement Survey in 2022 was completed by 66% of our workforce and resulted in an engagement score of 83%. This positive result sets us apart from the global retail industry average for engagement of 72% and confirms that **Michael Hill remains an employer of choice and is a great place to work.**

We know that a highly engaged workforce correlates with strong performance and we are seeing this in our results. We empower every leader to improve team engagement with real-time insights that show them exactly where to focus their efforts to increase performance. We are proud of these outstanding results as it is our people that will drive the success of our company into the future.



“Our engagement score of 83% sets us apart from the global retail industry average and confirms Michael Hill as an employer of choice and a great place to work.”



GRIEVANCE PROCESS

Michael Hill has a documented grievance and whistleblower process for the management of both internal and external concerns, and from team members, suppliers and customers. Our internal team member process focusses on ensuring our team members are treated fairly and within relevant legislation in the country they operate. This is outlined in our Grievance Procedure Policy and the Supply Chain and Procurement Policy.

Our people are obliged to report any breaches of Group policy or activity which indicates a breach of policy through whistleblower channels in all countries.

Michael Hill has established a complaints and grievance procedure for suppliers, customers or external parties to report the following:

- Complaints or unfair activity regarding contracts or dealings with Michael Hill.
- Complaints or concerns about our Supply Chain.

All complaints or concerns can be raised by interested parties via email or telephone through the whistleblower channels.

This enables Michael Hill to identify and react to issues in our Supply Chain that may otherwise go unnoticed. These whistleblower channels are independent and confidential reporting avenues. Suppliers acknowledge their responsibilities for reporting of any concerns of breaches through signing of the Code of Business Ethics and Code of Conduct for Suppliers.

TRAINING

All employees are required to complete annual mandatory training on key policies and compliance areas, including in the areas raised above. Over the next reporting period the Board and the Executive Team will complete Modern Slavery Awareness Training with the intention for this training to be extended to all businesses in all markets (an acceleration of FY25+ target).

RESPONSIBLE JEWELLERY COUNCIL MEMBERSHIP

The RJC is the jewellery and watch industry's leading standard setting organisation. Membership requires companies to demonstrate compliance with rigorous Codes of Practices (COP) covering all aspects of the business from sourcing and procurement to manufacturing and selling of jewellery, with a key focus on modern slavery and sustainability.

Michael Hill is proud to continue our long standing RJC membership and we closely monitor ongoing developments with the RJC and the broader global impacts on the jewellery industry supply chains. Michael Hill continues to endorse the RJC's Code of Practices as the benchmark for our business. By adopting these COPs, the Group has a framework that aligns to industry standards and is specific to the jewellery industry. We have aligned our modern slavery approach with key RJC COPs most relevant to modern slavery:

- COP 6 – Human Rights
- COP 7 – Due Diligence for Responsible Sourcing from Conflict-Affected and High-Risk Areas
- COP 14 – Provenance Claims.

In FY22 we completed our RJC re-certification audit with a third party auditor. Our re-certification to 2025 is a major milestone in our sustainability journey, demonstrating our commitment to responsible jewellery and promoting trust and transparency in our supply chains.

Through our audit recertification process, we uplifted the Group's policies and processes across the RJC COPs, including those focused on sourcing and procurement practices. This included:

- Embedding into our procurement and contract negotiation processes requirements for suppliers to complete the Ethical Supply Chain Assessment as part of new contracts or contract renewals.

- Revising our **Group Supply Chain and Procurement Policy** which demonstrates Michael Hill's commitment to operating in accordance with the RJC's COPs and compliance of sourcing processes required to procure goods and services, including not buying or selling conflict diamonds and raw materials or assisting others to do so.
- Developing a **Conflict free diamonds and Diamond Sourcing Policy** outlining our commitment to not buy or sell conflict diamonds or assisting others to do so. The policy also supports the Kimberly Process Certification Scheme and World Diamond Council System of Warranties in the eradication of conflict diamonds from the world trade. In fulfilling this responsibility Michael Hill requires all suppliers to agree to and sign the **Michael Hill Code of Business Ethics and Code of Conduct for Suppliers** (which will be monitored and enforced through provision of the relevant agreements between the suppliers and Michael Hill).
- Revising **jewellery supplier contract terms and conditions** for Finished Products and Loose diamonds to include warranty statements on invoices regarding responsible sourcing.

Maintaining the currency, focus and compliance to policies and procedures is now being embedded into our normal operations and forms part of the broader RJC program of work for monitoring RJC compliance (refer to **How we continue to improve – Modern Slavery Roadmap**).

As part of our recertification, Michael Hill made a provenance claim relating to the De Beers Code of Origin range. The range includes diamonds ethically sourced from the De Beers Code of Origin Trusted Source Program, reflecting a dedication to social and environmental responsibility. Michael Hill plans to make further provenance claims in support of our sustainability strategy regarding responsible sourcing of Michael Hill products.

In addition, we're committed to ensuring our certified diamonds are conflict-free. We purchase our diamonds from

sources we know and trust. All diamonds are purchased under the Kimberly Process which was instigated in 2003 to help combat the trade in conflict diamonds.

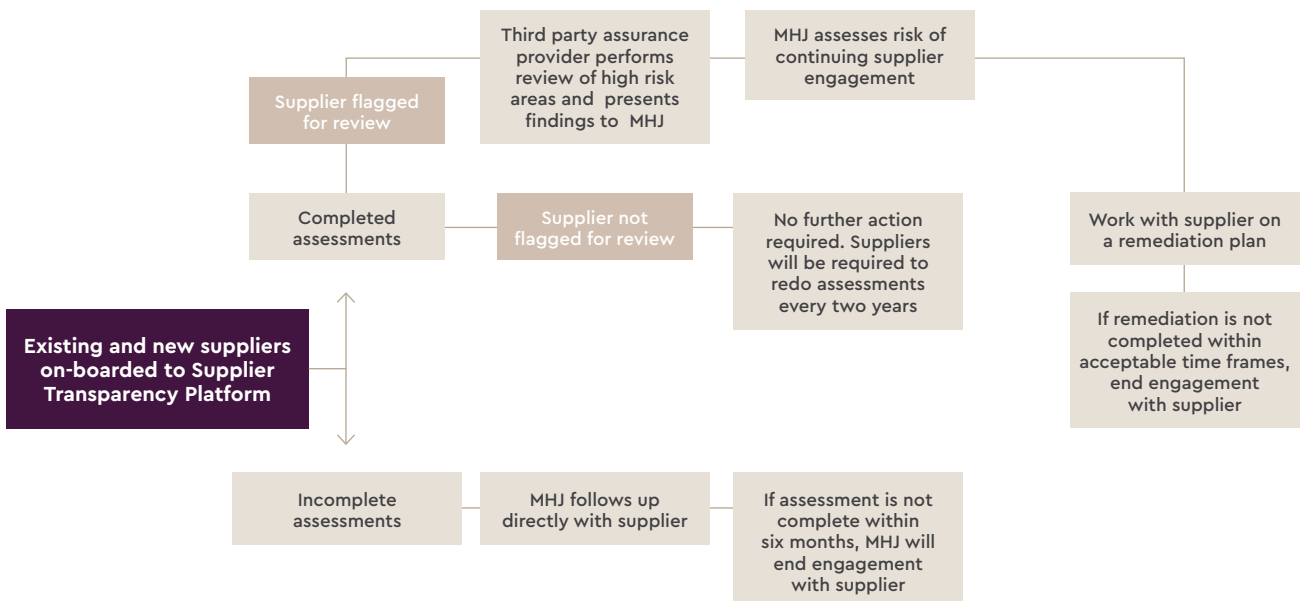
Other product initiatives reflective of our commitments towards responsible sourcing beyond the RJC requirements are outlined in **Outlook for FY23 and beyond, Product Evolution**, particularly regarding responsible sourcing of gold.

SUPPLIER DUE DILIGENCE

In FY20, Michael Hill launched its supply chain transparency platform (using a third-party platform provider). This platform gathers information regarding the operational and procurement practices of direct suppliers via our online Ethical Supply Chain Questionnaire. The questionnaire is an in-depth assessment of suppliers and their operations, and was designed in line with the RJC's COPS. The information gathered is assessed to provide an overall risk rating for each participating supplier. Where a supplier has an overall risk rating of high, additional work is completed to further assess the associated risk of modern slavery. This may include additional analysis of a supplier's policies and processes, and/or an on-site audit of the supplier's operations and facilities conducted by a qualified independent inspection third-party certification provider.

This questionnaire was uplifted for the FY22 reporting period along with the risk matrix, to better understand our risk areas relating to product transparency and traceability, which aligns with our sustainability and ESG strategy. Further streamlining of the questionnaire occurred with a redesign of the questionnaire for our jewellery supply chain and non-jewellery supply chain suppliers, including more targeted questions (refer to **Outlook for FY23 and beyond** for further detail).

An overview of our supply chain transparency platform engagement process is shown below:



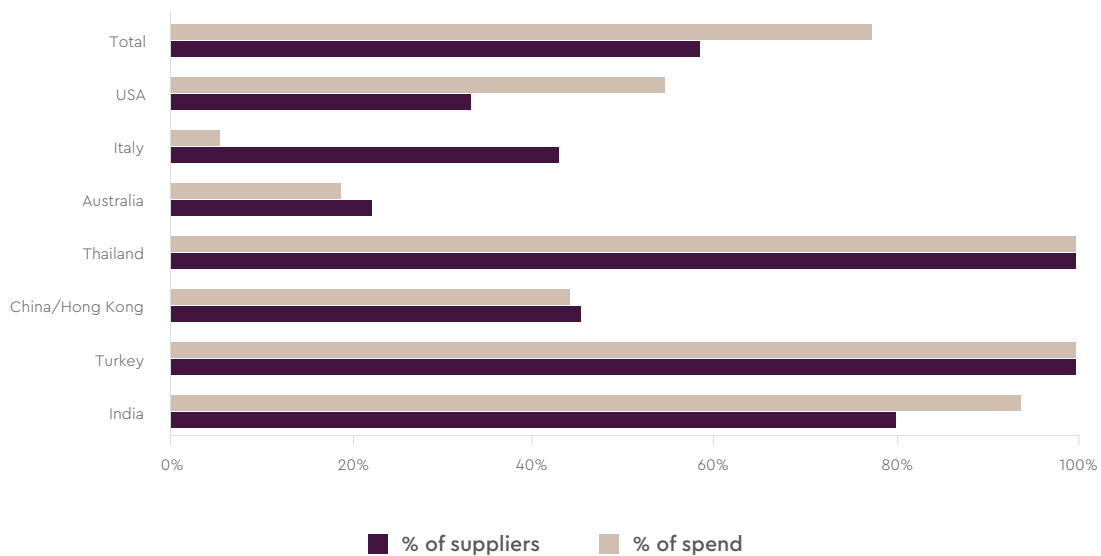
PROGRESS MADE IN FY22

Key achievements in FY22 included maturing and building on prior years' modern slavery roadmap activities and establishing and enhancing our frameworks, policies and methodology to manage this risk. Our preparation and audit for RJC recertification and release of the sustainability and ESG strategy were key drivers of this. Refer to **How we continue to improve** section for further detail of achievements in 2022.

During the reporting period, any new jewellery suppliers added as part of the new supplier onboarding process were issued with an Ethical Supply Chain Questionnaire. Additionally, per the roadmap FY22-24 targets, we focussed on labour suppliers in higher risk industries across security, repairs and cleaning. We also worked with our merchandising and sourcing teams to offboard jewellery suppliers Michael Hill are no longer replenishing product with, or suppliers that don't align to our responsible sourcing strategy.

As of 30 June 2022, Michael Hill has engaged **70 suppliers** across jewellery, jewellery packaging, and non-jewellery (i.e. security and facilities management). Of these 70, **15 are new suppliers** and **55 are existing suppliers**, and proportionately, 60 of these suppliers pertain to our jewellery suppliers.

The majority of our jewellery suppliers (68%) are certified or to-be certified members of the RJC. By working with suppliers who are certified members of the RJC and checking on their supply chain, Michael Hill reduces the risk of unethical business practices existing in its supply chain. The graph below illustrates % of spend and % of RJC jewellery suppliers over total jewellery suppliers per country.



Per our FY21 Modern Slavery Statement, Michael Hill aimed to have 80% of key jewellery suppliers being fellow members of the RJC in 2022 and 100% in 2026. We have reassessed this RJC target per the release of our 2030 Sustainability Goals and Vision, which includes revised targets over responsible sourcing. As part of this we have broadened the term of 'responsible sourcing' beyond RJC certification status to include sourcing through other alternate and relevant industry sourcing standards. Michael Hill is on track to meet our revised responsible supplier target given the high proportion of our supplier base currently is RJC accredited, with a proportion of sourcing through alternate standards or RJC pending certification and a small proportion of suppliers (RJC and non-RJC) being exited from the business.

In FY22 Michael Hill embedded as part of the RJC recertification a number of procurement policies and processes addressing modern slavery risk. Refer to detail on these policies in **How we address modern slavery risks – Responsible Jewellery Council** section.

The following was also addressed in FY22 with regard to lessons learnt and key changes embedded from these learnings:

- The Ethical Supply Chain questionnaire (pre-screening tool risk assessing suppliers' level of compliance with modern slavery) was uplifted to ensure appropriate tailoring and alignment of our ESG strategy targets and considered product transparency and traceability. This includes assessing risk of the supplier on product country of origin and applies the country level Corruption Perception Index and the Global Slavery Index.
- All supplier operating entities of Michael Hill's suppliers were incorporated (e.g. where a supplier has multiple sites).
- Expansion of the jewellery supplier questionnaire for RJC certified suppliers. Previously, RJC suppliers received a short form questionnaire which was limited to understanding supplier RJC status, however, both cohorts of suppliers (i.e. jewellery supply chain and non-jewellery supply chain) are required to complete a more detailed assessment. This provides a view in line with key RJC and modern slavery requirements.
- The scoring mechanism within the supply chain transparency platform has not provided the insights anticipated and therefore further investment was made to uplift the design. The key changes included ensuring alignment to our Risk Management Framework and included incorporating risk scoring over type of supplier, certifications and product risk.
- Obtaining a deeper understanding of certifications and other memberships held to confirm supplier commitment to social and environmental performance.

It is acknowledged that the investment of time in designing and uplifting our frameworks, policies and processes to be aligned with our ESG strategy has delayed the progress of loading additional suppliers onto the platform. However, with Covid-19 restrictions easing and the foundations embedded, we anticipate the progress and depth of assessments across our suppliers will increase as businesses resume to normal operating conditions. Refer to **Outlook for FY23 and beyond** for further detail on activities to be rolled out next reporting period.

OUTLOOK FOR FY23 AND BEYOND

When renewing supplier contracts, we will favour suppliers with ethical and environmental standards that are aligned with ours. One hundred percent of diamonds used in our products are conflict free, and we continue to explore, innovate with and invest in other sustainable raw materials. Further, we have intentions to only work with jewellery suppliers in the industry who are certified members of the RJC or meet Michael Hill's responsible sourcing requirements. Where there are jewellery suppliers who are not certified RJC members, a strategy is required to be in place to understand the supplier's RJC journey for accreditation, alternate industry standard for responsible sourcing, or a strategy for exit.

Recommencing supplier due diligence activities and site visits, and onboarding suppliers onto the Supplier Transparency Platform:

With Covid-19 restrictions having eased and supplier operations resuming to normal, this provides the opportunity to recommence supplier site visits where suppliers are risk assessed as high. Additionally, increasing and uplifting the volume of suppliers loaded onto the Supplier Transparency Platform beyond tier one.

Responsible sourcing beyond RJC certification requirements:

Any new jewellery suppliers engaged are required to comply with Michael Hill's responsible sourcing requirements, including sourcing in accordance with relevant industry sourcing standards (e.g. LBMA, RMI, DMCC or Signet SRSP) or RJC certified.

Continued focus on how Michael Hill can continue to improve our approach to modern slavery:

Michael Hill is focused on our continuous improvement approach to addressing modern slavery, doing the minimum required is not enough and we are committed to upholding and improving human rights and fair working conditions for our team members and broader supply chain.

Obtaining supplier agreement to comply with Michael Hill's Code of Business Ethics and Code of Conduct for Suppliers:

This document, which is publicly available on Michael Hill's Investor Relations website, forms part of the supply contract for all suppliers and reflects the operating principles and expectations of Michael Hill in relation to its suppliers. It clearly establishes Michael Hill's expectations and minimum standards in relation to ethical matters, including human rights. Additionally, it identifies actions that may be taken if any breach of the Code is identified. This document will continue to be a key document in our supplier contract execution processes.

Monitoring and reviewing the number of suppliers who actively sign and return Michael Hill's Code of Business Ethics and Code of Conduct for Suppliers:

The number of signed documents received back is reviewed to understand the level of supplier acknowledgement and acceptance of Michael Hill's operational expectations. This forms part of the broader contract execution process.

Application of Michael Hill's Risk Management Framework and Risk Appetite:

Michael Hill's Risk Management Framework requires the identification, assessment and management of risk. Michael Hill's Risk Appetite Statement outlines that Michael Hill has no appetite for risk that impacts employee rights or are associated with any practices contrary to modern slavery principles.

Capability building – ensuring modern slavery is understood by whole of business:

Extension of the roadmap initiative regarding modern slavery training to the Board, Executive Team and Senior Leaders. We will seek to roll this training out as an e-learning module beyond the initial cohorts identified to include whole of business.

Rollout of the revised Ethical Sourcing Risk Matrix:

The Ethical Sourcing Risk Matrix is being revised to also incorporate the assessment of risk of all coloured stones and pearls based on country of origin per the Global Slavery Index.

Obtaining further visibility into our suppliers' supply chains:

Michael Hill is taking action towards understanding what is happening in our supply chains over entities we do not have direct contractual relationships with. The refined questionnaire includes a supply chain traceability section, where we have requested information from our direct suppliers about their top five suppliers (determined by annual spend and frequency of use). This includes understanding location, which tier the sub-supplier is to our supplier, and goods and or services provided. We also ask our suppliers permission for their top five suppliers to complete a Modern Slavery Questionnaire around their compliance with modern slavery practices. It is important that our suppliers also understand the potential risk their supply chain holds regarding modern slavery practices.

Establishment of a Modern Slavery Risk Scorecard:

The focus of FY22–24 includes due diligence over our non-jewellery high risk suppliers. Focusing on a larger number of suppliers creates an increasing need to establish and design a Modern Slavery Risk Scorecard to provide insight into and assess the effectiveness of our actions to address modern slavery. This supports our FY25+ goal of completing a modern slavery effectiveness review.



PRODUCT EVOLUTION

At Michael Hill, we are working with the RJC, our suppliers and other industry partners to ensure we deliver ethical products to the very highest quality standard possible. We are constantly investigating the materials we use to be less impactful on our environment, whilst continuing to provide the quality of jewellery that our customers trust us to create.

As part of the sustainability vision and goals included overleaf, the product transparency pillar and goals have an underpinning focus on modern slavery. For example, use of certified sustainable or responsibly sourced natural diamonds minimises the risks that may be present deep in supply chains such as the mining of conflict minerals. Michael Hill is committed to offering only conflict-free diamonds in our jewellery. We purchase only natural diamonds from legitimate sources in accordance with the Kimberley Process Certification Scheme, as supported by the World Diamond Council System of Warranties. The Kimberly Process Certification Scheme is a joint government, international diamond industry and civil society initiative to prevent conflict diamonds from entering the supply chain. As part of our business practices and supply arrangements, we ensure that 100% of our diamonds are conflict free.

Other product initiatives we are planning to rollout in line with our strategic direction which reflect our commitment towards progressing a sustainable, responsible and circular economy agenda, include:

- Laboratory created diamonds provide customers with increased choice and quality and are SCS Certified Sustainable and Climate Neutral. Our entire range of laboratory created diamonds are certified sustainable.
- Using locally mined or refined gold from Australian and New Zealand sources.
- Using certified recycled gold and silver to craft new products from suppliers who meet the RJC Chain of Custody certification, are on the journey to Chain of Custody certification or hold an alternative certification.
- Responsibly sourced metals, including ensuring the legitimacy of the gold and silver supply chain through validation of product from trusted sources, such as LBMA, RMI, DMCC, Signet SRSP or RJC Chain of Custody accredited refiners.
- Introducing traceable diamond programs (e.g. De Beers Code of Origin Trusted Source Program).
- Certified sustainable or responsible sourced diamonds, coloured gemstones and cultured pearls.
- Using repurposed diamonds to craft new products.

We are committed to staying at the forefront of the sustainable product evolution in our category and will consistently strive to bring more sustainable and ethical product solutions to our customers.



PHILANTHROPY IN FY22

The majority of our staff and customers are women. The contribution and difference they make in our business is profound, and we endeavour to empower women of today, and the future. Research shows women and girls are still considered a vulnerable demographic and remain disproportionately vulnerable in most countries to modern slavery. Per the Australian Border Force Modern Slavery facts and figures, 71% of victims of modern slavery are female.

To support women, Michael Hill is proud to partner with Dress for Success through a number of initiatives.

EMPOWERING WOMEN GLOBALLY WITH DRESS FOR SUCCESS

Dress for Success is a non-profit organisation which works with women to help them achieve economic independence by providing a network of support, professional attire, and the development tools to help women thrive in work and in life.

Coinciding with international Womens Day in March, Michael Hill launched a new campaign to raise funds for Dress for Success with various activities:

DRESS FOR SUCCESS EARING SALES

In the period March to June we asked customers to help us support Dress for Success in their mission to empower women by purchasing a pair of beautiful 6mm button cultured freshwater pearl earrings in sterling silver for \$25. For every purchase Michael Hill donated \$15 to Dress for Success raising over \$155,000 to be split across Australian, New Zealand and Canadian Dress for Success charities. We supported this initiative across our entire store network, as well as promoting Dress for Success and earrings sales at Business Chicks events across Australia.

DRESS FOR SUCCESS SUPPORT OFFICE VOLUNTEERING PROGRAM

Michael Hill launched its first ever paid volunteering program with Dress for Success where head office team members were given the opportunity to volunteer at a "working bee" at Dress for Success in Brisbane. This trial volunteering program saw team members unpack donated items, clean displays, and sort clothing racks to assist Dress for Success in their daily operations.

With over 140 team members taking up the trial opportunity, Michael Hill successfully donated over 420 hours, worth \$19,131 of paid volunteering hours to assist Dress for Success Brisbane.

Due to the success of our volunteering trial in FY22, we are looking to permanently introduce volunteering for our head office team members.

One day of paid community service leave per calendar year is planned to be available to eligible Australian retail store-based team members.



VIDEO CONTENT FOR THE DRESS FOR SUCCESS LEARNING PORTAL

The importance of empowering women in their continued education to re-enter the workforce is vital in growing their confidence and competence to support their career pathways. Michael Hill has worked with Dress for Success to create instructional videos for job seekers on the following topics, which support women to gain confidence and knowledge in forging their next career move:

- Searching for Jobs on the Internet
- How to Shine When Applying for Casual Work in Retail
- Preparing for Your Job Interview
- Understanding Your Contract of Employment
- Getting Ready for Your New Job
- Tips for Networking.

“Michael Hill’s philanthropic efforts are aimed at improving the lives of women, through enabling opportunities.”

AUCTION FOR ACTION

At times through our business operations, products can become impaired or are not appropriate for sale to customers. We saw this as an opportunity to raise further funds for Dress for Success with these impaired products being repaired by our manufacturing team and auctioned to head office team members, with all funds over the reserve price donated to Dress for Success. This initiative saw over \$7,000 donated for the financial year.

HOW WE ASSESS THE EFFECTIVENESS OF OUR ACTIONS

We are focused on continual improvement and understand the importance of assessing the effectiveness of our actions.

Through our Group Executive and Audit & Risk Management Committee, and indirectly through our Sustainability Steering Committee, we monitor modern slavery risk and actions to remediate. This monitoring includes the output from our supplier transparency platform, supplier visits and responding to matters arising from our whistleblowing platforms. Additionally, our Procurement Committee and the establishment of a Modern Slavery Risk Scorecard will provide further insight.

Other activities contributing to assessing the effectiveness of our actions include:

- **Whistle-blower and Grievance mechanisms:** Review of the Group's whistle-blower reporting channels and grievance mechanisms. Michael Hill performs independent reviews of whistle-blower matters and reports outcomes quarterly to the Audit and Risk Management Committee.
- **Risk Management:** Our entity-level and Group risk workshop assessed Michael Hill's exposure to and risk of modern slavery practices within the Group's operations and supply chain. Michael Hill has no appetite for risks that impact employee rights or are associated with any practices contrary to modern slavery principles.
- **Responsible suppliers:** Continuing to only engage with RJC accredited suppliers or suppliers who demonstrate responsible sourcing and ethical products in accordance with our revised Responsible Sourcing target.
- **Supplier audits:** Collaboration with our suppliers to check progress on remediation actions put in place to address modern slavery risks.

We acknowledge that gaining full transparency over our entire supply chain will take time, including the responsiveness and challenges associated with delving deeper into our suppliers supply chains. However, the structures, revised frameworks and monitoring mechanisms established will help to improve transparency.

To date, no instances of modern slavery have been identified within Michael Hill's supply chain. If a modern slavery practice was to be identified that Michael Hill had caused or contributed to, Michael Hill's process is aligned with the UN Guiding Principles on Business and Human Rights (UN Guiding Principles) of engaging and remediating with the supplier as part of an effective response to modern slavery. Further, Michael Hill would use its purchasing capacity to work with the entity that caused the impact to prevent or mitigate the harm and its reoccurrence. If such efforts were to be unsuccessful and all efforts were exhausted, Michael Hill reserves the right to immediately terminate its relationship with the supplier.



HOW WE CONTINUE TO IMPROVE

We remain committed to our roadmap outlined in our prior statements and have enhanced this to reflect our maturity in this space.

Michael Hill recognises that modern slavery risks continue to evolve as our business and supply chains expand, and in response and in alignment with our strategic direction, so must the Group's response which requires long term planning and ongoing vigilance. Michael Hill has identified further areas for continual improvement and these new focus areas have been added to our roadmap.

01. FOUNDATION	02. ENHANCE	03. OPTIMISE
<p>FY20 – FY21</p> <ul style="list-style-type: none"> ✓ Established Supplier Transparency Platform ✓ Identified key suppliers to engage on supplier transparency platform ✓ Developed Ethical Supply Chain Assessment ✓ All Tier 1 jewellery and packaging suppliers onboarded onto Supplier Transparency Platform and completed the Ethical Supply Chain Assessment (accounts for 60% of total supplier spend) ✓ Updated Code of Ethics and Code of Conduct for Suppliers ✓ Reviewed and updated key supplier contracts and supply terms and conditions ✓ Covid-19 response plan and crisis management ✓ 2021 Group team engagement survey ✓ Updated team member Code of Conduct ✓ Health, safety and wellbeing focus ✓ Appointed Senior Leader responsible for sustainability ✓ Alignment of Modern Slavery Questionnaire to RJC standards ✓ Issued our first Modern Slavery Statement 	<p>FY22 – FY24</p> <ul style="list-style-type: none"> ◆ Establish a process for undertaking due diligence for all suppliers ✓ Reviewed new supplier onboarding process. ✓ Established an Ethical Supply Chain Assessment tailored to non-jewellery and jewellery industry suppliers ✓ Onboarding more suppliers onto the supplier transparency program. The focus will be on cleaning, security, and repair suppliers with an aim for all suppliers to be monitored. • Restarting the regularity of supplier visits to high risk production facilities ◆ Assess high risk suppliers for audits to be completed and developing and managing remediation plans with supplier or cease supplier engagement ◆ RJC recertification – includes improving compliance with COP 6 Human Rights in line with UN Guiding Principles on Business and Human Rights • Establish formal committee for ongoing responsible sourcing practices (i.e. Procurement Committee) • Modern Slavery Training for all Michael Hill staff, an acceleration of FY25+ target * ✓ Review of current grievance mechanisms ✓ Sustainability objectives and achievements being publicly shared – holding us to account ✓ Sustainability – core pillar of our strategy ◆ All jewellery suppliers meet 'responsibly sourced' standards. Target revised from: 80% of key jewellery suppliers being fellow members of the RJC in 2022 and 100% in 2026 • Validating supplier certifications and memberships to confirm commitment to social and environmental performance * 	<p>FY25+</p> <ul style="list-style-type: none"> • Complete a Modern Slavery effectiveness review • By developing a Modern Slavery Risk Scorecard for measuring effectiveness of Michael Hill's actions in assessing modern slavery risk * • Annual Modern Slavery awareness training for all staff • Extend Ethical Supply Chain Assessment to all suppliers • Revise the process for selection of new suppliers to include completion of a tailored questionnaire per industry type, visits to the facilities to understand working conditions and appropriate revisions to the Supplier Code of Conduct if required • Embedding ongoing cycle of audits with our third-party independent verification and audit partner on high-risk suppliers • Undertake due diligence for all suppliers ◆ Consideration of corporate structure and alignment to business strategy (e.g., B Corp certification) • Sustainability – core pillar of our brand proposition • 100% of key jewellery suppliers being RJC accredited • Ongoing RJC compliance is monitored through management attestation confirming compliance with relevant COPs

APPENDIX

This Modern Slavery Statement was prepared in accordance with the mandatory reporting criteria set out in the Modern Slavery Act 2018 (Cth). The table below outlines where information related to each of the mandatory reporting criteria can be found within Michael Hill's Modern Slavery Statement.

MODERN SLAVERY ACT – MANDATORY CRITERIA	REFERENCE IN THIS STATEMENT
	Page Number
Identify the reporting entity	4-5
Describe the reporting entity's structure, operations and supply chains	6-7
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	8-9
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	10-18
Describe how the reporting entity assesses the effectiveness of these actions	19
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement)	10-12
Any other information that the reporting entity, or the entity given the statement, considers relevant	N/A



“As a Group, we agree with and support the Australian Modern Act and are committed to upholding human rights and fair working conditions across all our operations.”



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