

HARVEY NORMAN HOLDINGS LIMITED

MODERN SLAVERY STATEMENT

2021

Harvey Norman Holdings Limited ACN 003 237 545 is listed on the Australian Securities Exchange (ASX: HVN),
(Registered Office: A1 Richmond Road, Homebush West NSW 2140).

This modern slavery statement is provided by Harvey Norman Holdings Limited (**HNHL**) and each of its material controlled entities¹ (**Consolidated Entity**), (**Modern Slavery Statement**). A reference to HNHL, we, our or us in this Modern Slavery Statement is a reference to the Consolidated Entity.

¹ See list of material HNHL controlled entities published in the HNHL 2021 annual report, pages 146 and 147.

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LETTER FROM OUR CHIEF EXECUTIVE OFFICER

Harvey Norman Holdings Limited (HNHL) and subsidiaries (Consolidated Entity) supports the objectives of governments around the world (including Australia) to eradicate all forms of modern slavery and human trafficking.

The Consolidated Entity conducts business in a manner that is consistent with our corporate governance and risk management framework and requires the same level of compliance and behaviour from all suppliers, subject to all applicable laws.

This Modern Slavery Statement is the second modern slavery statement prepared and published by the Consolidated Entity for the purposes of the Modern Slavery Act (Cth) 2018 (**Modern Slavery Act**). In accordance with the Modern Slavery Act, this Modern Slavery Statement describes the actions that we have taken to address modern slavery risks in our operations and supply chains, and the effectiveness of those actions.

As was the case in 2020, the world continued to be severely impacted in 2021 by the ongoing effects of the coronavirus pandemic (**COVID-19**). The 192 franchised complexes in Australia and the 107 company-operated stores in 7 other countries continue to be subject to various government mandated closures in response to COVID-19.

The primary concern for respective governments continues to be keeping workers in jobs and businesses in business, and building a bridge to recovery on the other side of the pandemic.

We recognise that modern slavery risks may have been exacerbated and any mitigation of those risks may have been compromised by the impact of COVID-19.

Our supply chains continue to be affected as a result of government mandated lockdowns and restrictions in response to COVID-19 (and its variants) during the reporting period. This has

made it practically difficult to implement additional audits, protocols and other modern slavery risk assessments and investigations in 2021.

Notwithstanding the challenges posed by COVID-19 and the significant number of suppliers across the globe, the Modern Slavery Committee (a sub-committee of the HNHL board) has worked closely with management to identify modern slavery risks, develop actions to address those risks and assist the Consolidated Entity to meet its compliance and reporting requirements under the Modern Slavery Act.

HNHL is committed to eradicating all forms of modern slavery within its operations, supply chains and business relationships, and acting ethically and with integrity and transparency in all of its business dealings and relationships.

K.L. Page
Chief Executive Officer
Sydney
21/12/2021

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Franchise operations in Australia

HNHL and subsidiaries of HNHL own valuable intellectual property rights, including the trade marks Harvey Norman®, Domayne® and Joyce Mayne® (Trade Marks).

In Australia, a subsidiary of HNHL (a franchisor) grants separate franchises to independent franchisees to use certain intellectual property, including the Trade Marks, and to conduct the retail business of the franchisee online or at or from a store within a particular branded complex, pursuant to the terms of a franchise agreement.

Each franchisee is an independent business. Each franchisee owns and controls the franchisee business of that franchisee. HNHL does not control, or have any ownership interest in, any franchisee or the franchisee business of any franchisee. Franchisees do not form part of the Consolidated Entity.

Non-franchising operations

Non-franchising operations of the Consolidated Entity include:

Retail operations outside of Australia

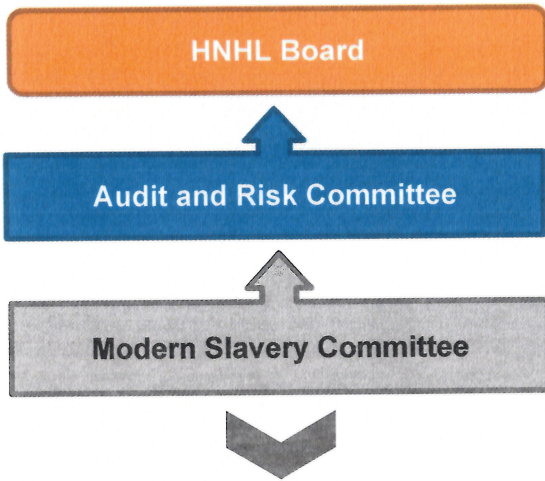
- offshore company-operated retail stores trading under the Harvey Norman® brand in New Zealand, Singapore, Malaysia, Ireland, Northern Ireland, Croatia and Slovenia; and

Retail and wholesale trading in Australia

- retail and wholesale trading operations in Australia which are conducted by wholly-owned, controlled or jointly-controlled subsidiaries of HNHL.

Note: HNHL and subsidiaries of HNHL, in Australia, do not sell goods or services at or through any physical or online store under any name "Harvey Norman®", "Domayne®" or "Joyce Mayne®".

OUR CORPORATE GOVERNANCE AND RISK MANAGEMENT FRAMEWORK



- Compliance with applicable modern slavery laws (including reporting of modern slavery matters or risks)
- Policies, standards, rules and procedures relating to modern slavery issues (including training and education for executive management and relevant employees)
- Identification and assessment of modern slavery risks in operations and supply chains
- Implementation of appropriate control measures to eliminate or minimise any identified modern slavery risks
- Assessment of effectiveness of actions taken to address modern slavery risks in operations and supply chains

The HNHL board (**Board**) is committed to a high standard of corporate governance, and is responsible for establishing, maintaining and monitoring the corporate governance framework of HNHL.

The Board aims to foster a culture of compliance, with an emphasis on ethical behaviour, accountability, corporate and individual integrity and respect for others.

Risk Management Framework

The HNHL audit and risk committee (**Audit and Risk Committee**), a committee of the Board, assists the Board in overseeing the Consolidated Entity's systems of internal control and its risk management framework, including:

- monitoring management's performance against the Consolidated Entity's risk management framework;
- receiving reports from internal audit on its reviews of the adequacy of the Consolidated Entity's processes for managing risk (including modern slavery risks);
- receiving reports from management concerning new and emerging sources or risks, including any risks of modern slavery practices in our operations and supply chains; and
- reviewing the Consolidated Entity's risk management framework at least annually to satisfy itself that the risk management framework continues to be sound and the Consolidated Entity is operating with due regard to the risk appetite of the Board and, where appropriate, making recommendations to the Board regarding any changes.

Risks of Modern Slavery Practices in Operations and Supply Chains

The risk management framework of the Consolidated Entity, in relation to modern slavery risks, includes the following elements:

- risk assessment to identify and mitigate risks of modern slavery practices;
- evaluation of modern slavery risks within sourcing processes and procurement activities;
- monitoring modern slavery risks which may arise in the employment of employees or engagement of contractors in our operations or supply chains;
- raise awareness and understanding of modern slavery risks within the operations of the Consolidated Entity through education and training to ensure that relevant teams are adequately trained to identify and report

- modern slavery incidents or practices; and
- actions to eliminate modern slavery risk in the businesses of the Consolidated Entity.

Modern Slavery committee

The Modern Slavery Committee (a sub-committee of the Board comprised of executive directors) has the responsibility for dealing with modern slavery risks and issues in the Consolidated Entity.

The responsibilities of the Modern Slavery Committee include:

- to manage, monitor and report on the compliance status and risks of modern slavery in operations and supply chains of the Consolidated Entity to the Audit and Risk Committee;
- to develop or approve, or both, actions to address modern slavery or the risks of modern slavery in operations and supply chains of the Consolidated Entity;
- to assist in developing policies, standards, rules and procedures relating to modern slavery, including content and format of internal reporting of modern slavery matters that are to be followed or complied with by any entity in the Consolidated Entity;
- to keep informed as to trends in the types of risks of modern slavery practices in the operation and supply chains of the Consolidated Entity to ensure that appropriate control measures are implemented to eliminate or minimise any identified risks;
- to develop a process to assist the Consolidated Entity to consider and respond to, and to comply with applicable modern slavery laws;
- to develop an internal reporting process for identifying and managing changes to operations and supply chains which may have an impact on the risk of modern slavery in those operations and supply chains;
- to ensure that regular risk assessments (including due diligence) are conducted with respect to the operations and supply

chains of the Consolidated Entity by suitably qualified people, including independent experts;

- to consider, and make such recommendations to the Board directly or through the Audit and Risk Committee, as the Modern Slavery Committee sees fits, with respect to modern slavery, including any matter arising from any identified risk;
- to consider any matter of modern slavery that is referred to the Modern Slavery Committee by any person;
- to consider the reports prepared by management with respect to modern slavery; and
- to monitor and evaluate the drafting, completion and submission of each modern slavery statement as required by the Modern Slavery Act.

The Modern Slavery Committee may make recommendations to the Board directly, or to the Audit and Risk Committee, or both, to assist the Consolidated Entity to comply with applicable modern slavery laws.

Our Policies

The Consolidated Entity conducts its business and engages with suppliers in a manner that complies with all applicable laws (including all relevant modern slavery laws) and is consistent with our corporate governance framework, including the following policies:

- Modern Slavery Policy;
- Code of Conduct;
- Whistleblower Policy; and
- Anti-Bribery and Corruption Policy.

The Consolidated Entity expects that suppliers that who engage with the Consolidated Entity to have the same level of compliance and behaviour, subject to applicable laws of the country or countries where the business is carried out.

ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

Risk identification and assessment

As part of our risk management framework,

Yoogalu Pty Limited (a wholly-owned subsidiary of HNHL) took the following actions during the period from 1 July 2020 to 30 June 2021 in relation to modern slavery risks:

Modern Slavery Committee

- the Modern Slavery Committee (a sub-committee of the Board comprised of executive directors) was established and replaced the role of the Responsible Director, as reported in our Modern Slavery Statement for the reporting period ending 30 June 2021;
- operations and supply chains of each relevant member of the Consolidated Entity were reviewed during the reporting period in relation to modern slavery risks;
- diligence questionnaires were issued to suppliers and responses have been assessed to identify modern slavery risks in supply chains. While some responses require further clarification from the relevant suppliers, overall, the responses indicated that relevant suppliers are alert to modern slavery risks and have processes to address such risks;
- management also reviewed and identified relevant regions from which goods are sourced, including areas that are considered to involve modern slavery risks;
- supplier surveys obtained during the reporting period, identified that some suppliers (particularly furniture suppliers) which source materials from, or manufacture in, Asia may have higher modern slavery risks where regulation of modern slavery and unethical practices in those countries are not as rigorous compared to Australian laws and regulations;
- furniture suppliers identified by management were often smaller in size compared to electronic and computer suppliers, and therefore may not have sophisticated processes and procedures to assess and mitigate modern slavery risks. For this reason, management recommended that the Modern Slavery Committee review furniture supply chains in relation to modern slavery risks;
- the Modern Slavery Committee accepted the recommendation from management and has established a working group comprised of general managers from each relevant subsidiary and quality control managers, to collect and analyse data regarding modern slavery risks in furniture supply chains;
- training modules have been prepared to educate relevant persons of each member of the Consolidated Entity about modern slavery risks and the application of relevant modern slavery laws to the operations and supply chains of each member;
- user guides are being prepared to assist each member of the Consolidated Entity to apply the HNHL Modern Slavery Policy to the operations and supply chains of each member of the Consolidated Entity; and
- further audit tools, strategy and protocols are being developed to address modern slavery risks, including:
 - engagement of third party on-site auditors to review and collect data at manufacturer locations (including overseas);
 - engagement of an externally managed system that specialises in the collection and risk analysis of information relating to human rights in supply chains; and
 - continue to issue due diligence questionnaires to suppliers in our supply chains regarding modern slavery risks and assess the responses received from suppliers.

Due Diligence

The Consolidated Entity employs a due diligence process prior to engaging (and during engagement of) suppliers for its offshore company-operated retail stores and its retail and wholesale trading operations in Australia, which are wholly-owned, controlled or jointly controlled by subsidiaries of HNHL.

This due diligence process includes assessing the risk profile of a supplier and, where possible, opting to engage with suppliers who are well regarded for complying with ethical practices and legal requirements in relation to modern slavery risks.

During the reporting period, we prepared a due diligence questionnaire focused on determining the risk profile of a supplier in relation to modern slavery risks. The due diligence questionnaires were issued and responses were received, for consideration and next steps.

This due diligence process continues beyond the initial engagement of a supplier and we continue to conduct regular reviews of suppliers to assess modern slavery risks.

Service and Supplier Contracts

The Consolidated Entity is continuing the process of incorporating provisions in service agreements, supply agreements and trading terms with suppliers to address modern slavery risks.

Engagements with service providers and suppliers may include any one or more of the following elements:

- communicating to the service provider or supplier the expectations of the Consolidated Entity in relation to compliance by the service provider or supplier (including all persons employed, contracted or engaged by the service provider or supplier) with applicable modern slavery laws;
- undertake an appropriate assessment and due diligence of the relevant service provider or supplier to understand the measures the service provider or supplier has in place to minimise and mitigate the risk of modern slavery occurring within the business of the service provider or supplier and any of the operations or supply chains of the service provider or supplier;
- obtain written confirmation from the service provider or supplier, including appropriate contract terms with the service provider or supplier, that the service provider or supplier and others in its operations or supply chains:
 - will comply with all applicable modern slavery laws and minimise the risk of modern slavery arising in its business; and
 - will promptly inform the Consolidated Entity of any actual or suspected breach of applicable modern slavery laws by the service provider or supplier or any person involved in its business, operations or supply chain;
- retain the right to terminate any contractual arrangement with a service provider or supplier in the event the service provider or supplier, or any service provider or supplier in any operations or supply chain of the service provider or supplier, is found to be engaging (directly or indirectly) in modern slavery; and
- engage with the service provider or supplier to help address potential modern slavery risks in the operations or supply chains of the service provider or supplier.

Training and Education

The Consolidated Entity has continued to develop further training modules, together with user guides to accompany the Modern Slavery Policy, to be provided to executive management and relevant employees, on an annual basis in relation to compliance with relevant modern slavery laws, including the Modern Slavery Act.

Education and training allows individuals to recognise and assess modern slavery risks and to understand when and to whom modern slavery risks should be reported.

Reporting Process

The Consolidated Entity has established reporting processes for persons to report any concerns regarding unethical or illegal behaviour, including but not limited to any incidents of modern slavery (**Reported Incident**).

Each Reported Incident will be investigated and if substantiated, or if otherwise considered appropriate, reported to the Board.

Reported Incidents referred to the Board will be reviewed by the Board to determine the appropriate process to be undertaken to ensure compliance by the Consolidated Entity with relevant modern slavery laws. The process will include, but is not limited to, steps to resolve or remediate the matter including but not limited to, undertaking further investigations, exercising contractual rights and reporting as required to comply with legal and statutory obligations, and to promote ethical and moral behaviour. The Board may also engage external advisers, consultants or such resources as the Board considers necessary, to assist in investigations or any remediation activities.

EFFECTIVENESS OF ACTIONS TAKEN

The Consolidated Entity recognises the importance of measuring the effectiveness of different actions taken to assess and address modern slavery risks and compliance with relevant modern slavery laws.

For this reporting period, we have measured the effectiveness of actions taken as follows:

Action	Measurement of Effectiveness
Modern Slavery Committee	The Modern Slavery Committee has been established. The Modern Slavery Committee, together with management, have taken steps to identify and address modern slavery risks. For example, modern slavery risks in furniture supply chains.
Due Diligence	Due Diligence questionnaires were issued to suppliers in each relevant jurisdiction in which a relevant member of the Consolidated Entity operates and responses have been received. The Modern Slavery Committee is considering and will adopt further audit tools, strategies and protocols to improve the collection and assessment of information received from suppliers to identify and address modern slavery risks in supply chains.
Modern Slavery Policy	The Consolidated Entity has a Modern Slavery Policy which provides the foundation for how we identify, assess, address, minimise and mitigate modern slavery risks. The Modern Slavery Policy is also supplemented by our other policies, protocols and procedures.

Service and Supplier Contracts	The Modern Slavery Policy is reviewed annually, and suppliers and stakeholders are updated of relevant changes. The Consolidated Entity is continuing the process of incorporating provisions in service agreements, supply agreements and trading terms with suppliers to address modern slavery risks.
Training and Education	This is an important step to provide members of the Consolidated Entity contractual rights to take action or terminate agreements with service providers or suppliers who are found to be engaged (directly or indirectly) in modern slavery practices. The Consolidated Entity provided training to executive management and relevant employees in relation to modern slavery risks. The Consolidated Entity will continue to develop and provide training and education to management and relevant teams.

PROCESS OF CONSULTATION WITH CONTROLLED ENTITIES

In preparing this Modern Slavery Statement, HNHL engaged with:

- its controlled entities to use the due diligence questionnaires;
- HNHL compliance teams;
- executive directors of HNHL; and
- the Modern Slavery Committee,

to obtain an understanding of the modern slavery risks in key supply chains and operations, and appropriate actions taken to address and mitigate identified risks.

CONTINUOUS IMPROVEMENT

This Modern Slavery Statement is the second

statement prepared and published by the Consolidated Entity for the purposes of the Modern Slavery Act.


The Consolidated Entity is continuously reviewing:

- actions taken to identify and assess modern slavery risks;
- actions taken in response to any identified modern slavery risks; and
- any improvements that can be made in relation to the above.

MODERN SLAVERY ACT REPORTING CRITERIA

Modern Slavery Act Reporting Criteria	Relevant Section in this Modern Slavery Statement
1. Identify the reporting entity	Our structure, operations and supply chains
2. Describe the structure, operations and supply chains of the reporting entity	Our structure, operations and supply chains; Our Corporate Governance and Risk Management Framework
3. Describe the risks of Modern Slavery practices in the operations and supply of the reporting entity, and any entities that the reporting entity owns or controls	Our Corporate Governance and Risk Management Framework
4. 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	Our Corporate Governance and Risk Management Framework; Actions taken to address modern slavery risks
5. Describe how the reporting entity assesses the effectiveness of such actions	Effectiveness of Actions Taken
6. Describe the process of consultation with any entities that the reporting entity owns or controls	Process of Consultation with Controlled Entities
7. Provide any other information that the reporting entity, or the entity giving the statement, considers relevant	Continuous Improvement

This statement was approved by the HNHL Board.


 per David Ackery – Director
 Harvey Norman Holdings Limited
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