

MCPHERSON'S LIMITED

Modern

SLAVERY STATEMENT

July 2020 to June 2021



MCPHERSON'S
EST. 1860

DISCLOSURE NOTE

This Statement addresses the potential risk of slavery, servitude, forced or compulsory labour, forced marriage and human trafficking in McPherson's Limited ("McPherson's" or "the Company") supply chains and business operations, pursuant to the Australian Modern Slavery Act 2018 (Cth) ('the Act'). This statement has been made on behalf of McPherson's Limited.

This Statement covers all entities owned or controlled by McPherson's Limited, including: • McPherson's Consumer Products (NZ) Limited • McPherson's Consumer Products Pty Ltd (Australia) • McPherson's Consumer Products Pte Ltd (Singapore) • McPherson's America Inc. (USA) • McPherson's Consumer Products (HK) Limited (Hong Kong) • McPherson's (Shanghai) Co., Ltd (China).

ABN: 98 004 068 419

MODERN SLAVERY STATEMENT, FY21

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ABOUT US

McPherson's, established in 1860, is a leading supplier of Health, Wellness and Beauty products with operations in Australia, New Zealand, and Asia. McPherson's markets and distributes beauty care, hair care, skin care and personal care items such as facial wipes, cotton pads and foot comfort products, as well as a range of kitchen essentials such as baking paper, cling wrap and aluminium foil.

McPherson's purpose is to help our communities with sustainable health, wellness and beauty solutions that enrich people's lives every day from the inside and out.

Our vision is to grow sustainably by enriching people's lives, inside and out, worldwide.

Our mission is to boldly deliver real solutions to everyday needs for health, wellness and beauty. We create better ways for people and communities to thrive.

OUR SHARED VALUES – BE BOLD | BE BRAVE | CREATE BETTER

This is McPherson's second Modern Slavery Statement issued under the Australian Modern Slavery Act and outlines the steps we have taken and plan to take to assess and prevent modern slavery risks in our business and supply chains. While our commitment to addressing modern slavery is overseen at a board level our Modern Slavery Statement has been prepared in consultation with all areas of the business. This statement is a step towards to enacting our values of being brave and transparent if and when cases of modern slavery arise, be bold in the actions we take to address and creating better through engagement and collaboration with our suppliers.



Anthony Ogilvie
Regional Innovation



Mark Brady
Manager Supply Chain Director

This statement has been approved by the McPherson's Board on the 7th March 2022.

APPROVED



GRANT PECK
CHIEF EXECUTIVE OFFICER

7th March 2022

OUR MODERN SLAVERY INITIATIVES

This Modern Slavery Statement covers activities from 1 July 2020 to 30 June 2021.

The reporting period saw the business:

- Undergo a substantial organisational review and consequent restructure
- Acquire Fusion Health and Oriental Botanicals as new brands in our health and wellness business
- Experience two unique takeover bids

Whilst some progress was made in this reporting period, the above factors have seen a delay in progressing efforts outlined in our initial Modern Slavery Statement.

OUR PLANS GOING FORWARD

Our plans going forward are to pick up the good work outlined in the initial modern slavery statement, build on the success of the completed activities this reporting period, and refocus on progressing the activities and initiatives outlined. To assist with this a Sustainability Manager was appointed in December 2021.

We will continue to engage our Board and leadership team and reach out to internal stakeholders with targeted training and education programs. Our Sustainability Manager will lead the work to review progress to date and agree on targeted initiatives to focus on going forward. These will include integrating modern slavery risk management into existing systems and processes, reviewing our procurement procedures, and updating existing supplier questionnaires and assessment processes to better understand and evaluate our modern slavery risks.

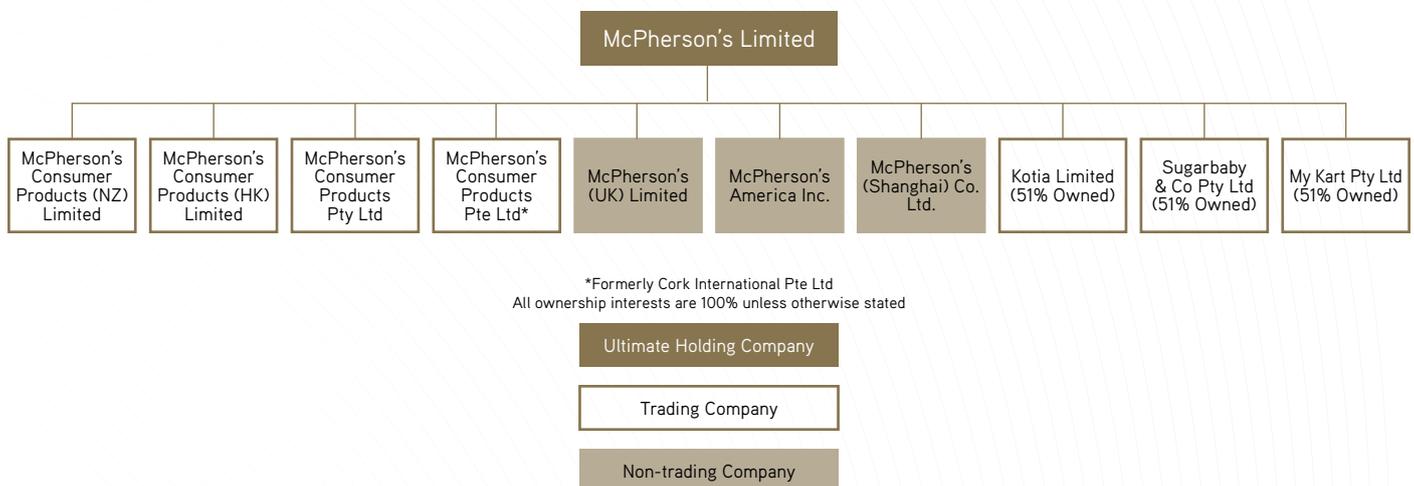
We will continue to refine our goals, targets and KPIs to effectively assess and address modern slavery risks and measure our effectiveness. We will engage priority suppliers in Australia and in high-risk regions, educate them on our program and gain a deeper understanding of their efforts to manage modern slavery risk. Where required, we will develop corrective action plans with our highest priority suppliers to address gaps and risks and incorporate modern slavery response and remedy into our Crisis Management Plan, ensuring a victim centred approach.

REPORTING CRITERIA 1 & 2: OUR BRANDS AND STRUCTURE

OUR ORGANISATIONAL STRUCTURE

McPherson’s, established in 1860, is a leading supplier of Health, Wellness and Beauty products with operations in Australia, New Zealand, and Asia. McPherson’s markets and distributes beauty care, hair care, skin care and personal care items such as facial wipes, cotton pads and foot comfort products, as well as a range of kitchen essentials such as baking paper, cling wrap and aluminium foil.

McPherson’s Limited is the ultimate holding company which oversees operations of eight trading entities and three non-trading entities as illustrated in the chart below. All ownership interests are 100% unless otherwise stated.



OUR GOVERNANCE FRAMEWORK

McPherson’s Board of Directors is committed to achieving and demonstrating the highest standards of corporate governance. This is considered essential for the long-term performance and sustainability of the Group, and to protect and enhance the interests of shareholders and other key stakeholders.

The Company and Board regularly review the Group’s governance arrangements, as well as developments in market practice, stakeholder expectations and regulation. We undertook a comprehensive review of our corporate governance arrangements during the year ended 30 June 2020, referencing the 4th Edition of the Corporate Governance Principles and Recommendations (“Corporate Governance Principles”) issued by the ASX Corporate Governance Council in February 2019. The Board implemented changes to key Board charters and policies following the review, with amended charters and policies, including a new Statement of Values, approved, and implemented in May 2020.

The Statement of Values establishes the expected standards of behaviour of our Directors, senior executives, and all other employees as we collectively work towards achieving the Company’s mission and strategic objectives. The Statement of Values also defines the Company’s culture and the framework through which we engage our employees, customers, and all other stakeholders.

By being open, trustworthy, and executing McPherson's strategy in a manner consistent with these values, we will achieve our key shared values and mission objective while operating in accordance with the community's and investors' expectations of acting lawfully, ethically, and responsibly, and thereby also preserving, protecting, and enhancing the Company's reputation and standing in the community.

We have developed an Ethics and Responsible Business Conduct Policy and a Whistleblower Policy, as well as a Code of Conduct for all employees. Additional policies exist which provide clarity on several related matters, including:

- Establishing the principles to be followed in ethically sourcing products and requiring compliance with Modern Slavery legislation;
- Prescribing product supplier health and safety requirements;
- A requirement for employees to act ethically and maintain certain specific standards of conduct;
- A requirement to ensure compliance with customer specific requirements; and
- Guidelines relating to product performance and content claims.

All Directors, senior executives and employees are required to maintain the standards of ethical conduct established by the Group in accordance with the Statement of Values and these policies.

As part of our continual improvement practices, improvements were made to McPherson's Board committees after the closure of this reporting period. The implemented changes will provide greater oversight into our approach to Modern Slavery and other ESG related risks and management practices.

The Board Audit, Risk Management and Compliance Committee is responsible for:

- Reviewing the Company's risk management framework at least annually to satisfy itself that it continues to be sound, including with respect to contemporary and emerging risks;
- Determining the Company's risk appetite and whether the Company is operating with due regard to that appetite;
- Monitoring and assessing management's process for managing risk and how the Company's businesses apply the processes for managing risk;
- Monitoring management's performance against the risk management framework, including whether it is operating within the risk appetite set by the Audit Committee or the Board;
- Reviewing any material incidents involving fraud or a breakdown of the Company's risk controls and the adequacy of any resultant changes implemented;
- Receiving reports from the internal auditors on their reviews of the adequacy of the Company's processes for managing risk;
- Receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- Making recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board.

OUR OPERATIONS

McPherson's manages some significant brands for agency partners and via joint venture arrangements, however, the majority of revenue is derived from the company's diversified portfolio of owned market-leading brands, including:

- Dr. LeWinn's
- A'kin
- Manicare
- Lady Jayne
- Swisspers
- Multix
- Fusion Health
- Oriental Botanicals
- Moosehead
- Maseur

Manufacturing is outsourced to various suppliers, predominantly in Asia and Australia. McPherson's maintains a strong presence in Hong Kong and mainland China, focused on product sourcing and quality assurance.

SINGAPORE

McPherson's operation in Asia is focused primarily on personal care products and, household consumables products, operating with a combination of McPherson's brands and agency arrangements.

HONG KONG

McPherson's Hong Kong branch manages the contract manufacturing for the McPherson's Group's products, generally outsourced to specialist manufacturers. It performs the quality assurance function and also works with marketing personnel on product design.

OUR PEOPLE

We employ a total of 351 staff across operations in Australia, New Zealand, Singapore, and Hong Kong. 82.62% of our staff are employed in Australia, the majority of whom are female permanent full-time staff. Just on 3% of our workforce is comprised of contract workers employed on a full time or part time basis.

OUR BRANDS



A'kin



Dr. LeWinn's



Lady Jayne



Manicare



Glam by Manicare



Swisspers



Revitanail



SugarBaby



maseur



Footcare by Maseur



Fusion Health



Oriental Botanicals



Stratton



Moosehead



Mita



Happy Flora



Soulful



Eylure

OUR SUPPLY CHAIN

For our initial statement McPherson conducted a baseline of our spend across goods and services. This section summarises that baseline findings. The business will conduct a full review of goods and service spend every two years OR because of a major acquisition or divestment OR change of a Tier 1 supplier.

Our baseline spend was approximately \$156 million annually with 231 suppliers across 21 goods and services categories. Of these 231 suppliers, 134 provide finished goods for sale and 97 provide non-stock goods and services such as office supplies, advertising, and professional services.

Our supply chain extends across sixteen countries including China/Hong Kong, Czech Republic, France, Germany, United Kingdom, Indonesia, Italy, Korea, the Netherlands, New Zealand, Pakistan, Thailand, Turkey, Taiwan, and the United States.

More than 80% of our spend is with **50 key suppliers** of which 20 are based in Australia and 30 are located internationally (see map over page). Our ten largest overseas suppliers are based in mainland China (five suppliers), Hong Kong (three suppliers), South Korea (one supplier) and New Zealand (one supplier).

The main categories of goods and services procured from our Tier 1 (direct) suppliers are outlined in Table 1. Whilst many of our Tier 1 suppliers are based in Australia (or are a subsidiary of a global entity), the source country of some of the products we procure (such as raw materials, ingredients, packaging etc) are unknown. Further work will be undertaken to better understand our extended supply chain and the inherent modern slavery risks of our Tier 2 (indirect) suppliers.

Table 1: Main categories of goods and services

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

MODERN SLAVERY COUNTRY RISK RATING

MODERN SLAVERY COUNTRY RISK RATING



AUSTRALIA



127 SUPPLIERS
41% OF SPEND

- Couriers and Transport
- Property Management
- Recruitment
- Goods and Merchandise
- Labour Hire
- Professional Services
- ICT Software and Services
- Advertising
- Retail and Distribution
- Utilities

CHINA



50 SUPPLIERS
35% OF SPEND

- Packaging
- Goods and Merchandise
- Materials / Consumables
- Retail and Distribution

HONG KONG



13 SUPPLIERS
11% OF SPEND

- Packaging
- Goods and Merchandise

SOUTH KOREA



11 SUPPLIERS
3% OF SPEND

- Goods and Merchandise

TAIWAN



8 SUPPLIERS
3% OF SPEND

- Packaging
- Goods and Merchandise

UNITED STATES



4 SUPPLIERS
1% OF SPEND

- Goods and Merchandise

NEW ZEALAND



4 SUPPLIERS
2% OF SPEND

- Goods and Merchandise
- Professional Services

THAILAND



3 SUPPLIERS
<1% OF SPEND

- Goods and Merchandise

INDONESIA



2 SUPPLIERS
1% OF SPEND

- Goods and Merchandise

UNITED KINGDOM



2 SUPPLIERS
2% OF SPEND

- Goods and Merchandise

PAKISTAN



1 SUPPLIERS
1% OF SPEND

- Goods and Merchandise

GERMANY



1 SUPPLIERS
<1% OF SPEND

- Goods and Merchandise

FRANCE



1 SUPPLIERS
<1% OF SPEND

- Goods and Merchandise

TURKEY



1 SUPPLIERS
<1% OF SPEND

- Goods and Merchandise
- Professional Services

CZECHIA



1 SUPPLIERS
<1% OF SPEND

- Goods and Merchandise

ITALY



1 SUPPLIERS
<1% OF SPEND

- Goods and Merchandise

NETHERLANDS



1 SUPPLIERS
<1% OF SPEND

- Goods and Merchandise

REPORTING CRITERIA 3: MODERN SLAVERY RISKS IN OPERATIONS AND SUPPLY CHAIN

OVERVIEW

Our initial focus was on gaining a better understanding of potential modern slavery risks in our operations and supply chain. As outlined previously, building on that initial understanding, and embedding foundational aspects of addressing modern slavery will be the focus of the business going forward.

OPERATIONAL RISKS

With the support of external experts, we undertook a modern slavery gap analysis to identify areas of improvement across five key categories:

- management systems
- human resources and recruitment
- procurement and supply chain
- risk management
- customers and stakeholders

Results of the gap analysis are summarised in Diagram 1.

Diagram 1: Gap analysis results

MODERN SLAVERY PROGRAM GAP ANALYSIS RESULTS



We consider the risk of modern slavery within our direct business operations to be relatively low.

However, we recognise the importance of raising awareness of modern slavery amongst our staff and developing their capabilities – particularly those managing potentially high risk areas of our business such as operations, business development and procurement. We will ensure that our people are provided with the best available resources and know-how to identify, assess, and address modern slavery risk in our operations and supply chains.

Our Modern Slavery Action Plan and Three-Year Road map developed collaboratively by our Modern Slavery Working Group provides a comprehensive framework to identify, manage and mitigate risk. Elements of our action plan and three-year roadmap are included in Criteria 4 ‘Actions Taken to Assess and Address Risk’ below.

SUPPLY CHAIN RISKS

McPherson's has a complex supply chain comprising a mix of global and local supply partners. Our supply chain risk analysis baseline focussed on 231 suppliers who provide a wide range of goods and services for our Australian and overseas markets.

Our procurement team, supported by external experts, analysed the baseline spend of \$156 million of procurement data for potential modern slavery risk against four internationally recognised risk indices:

- **Industry sector** – Specific industry sectors deemed as high risk in international and national guidance documentation.
- **Commodity / product** – Specific products and commodities deemed as high risk by the US Department of Labour's 2018 List of Goods Produced by Child and Forced Labour, the Global Slavery Index (GSI) and other international guidance materials.
- **Geographic location** – Based on the estimated prevalence of modern slavery and the government responses as outlined in the 2018 GSI and our consultant's proprietary risk profiles based on 13 county indexes of corruption, freedom of speech, worker rights etc. While we predominantly use suppliers based in Australia, we recognise that the goods and services they use in our products (our Tier 2 suppliers) may come from high risk counties.
- **Workforce profile** – In undertaking our supplier analysis we considered the type of labour involved in the production of our goods and services, particularly where low skilled, vulnerable, or migrant labour is used, or where the work is deemed as '4D' work (dirty, dull, degrading, or dangerous).

SPEND RISK

Based on the risk indices outlined above, the analysis identified that approximately 50% of our procurement spend (\$78.4M) has a high potential risk for modern slavery (Diagram 2). This is largely due to our very high spend on finished goods.

Potential high-risk procurement
50% of total procurement spend
30% of suppliers
9 of the 21 spend categories

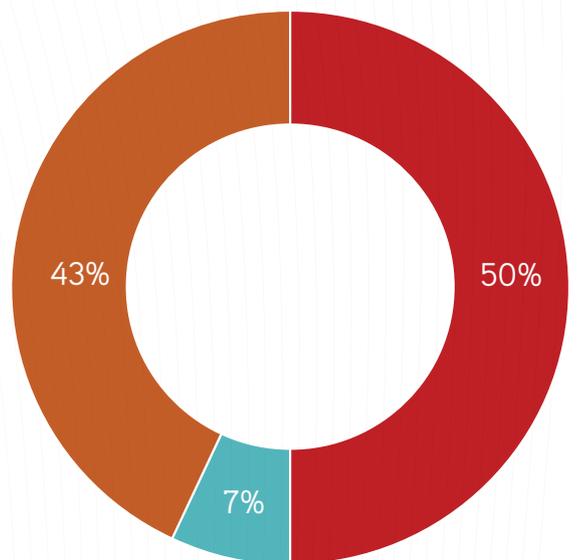


Diagram 2 Procurement spend by potential modern slavery by potential modern slavery risk.

CATEGORY RISK

We identified 8 of our 21 spend categories as potentially high risk for modern slavery (Diagram 3) including:

- Finished goods: bags, foils and wraps;
- Finished goods: health and beauty products;
- Retail sales and distribution;
- Building, construction, and fabrication services;
- Office and building supplies and services;
- Packaging materials, containers and storage;
- Travel, parking and accommodation;
- Building and facility maintenance.

Finished goods account for over 95% of our high risk spend. These goods are largely sourced from suppliers located in higher risk countries such as mainland China, Pakistan, and Indonesia. To gain a better understanding of potential risk associated with finished goods we separated finished goods into two categories: household consumables and health & beauty products (see page 15).

Other categories of potentially high risk spend include corporate events, office supplies, clothing, and personal protective equipment. As our total spend across these categories is relatively low, we will not be focusing our risk management efforts on these categories in the short to medium term.

SUPPLIER RISK

Thirty percent or 83 of the 231 suppliers analysed are considered potentially high risk for modern slavery (see Diagram 4). Over 80% of high risk spend is with 25 major suppliers all of whom provide finished goods in our household consumables and health and beauty product lines. The majority of these high spend suppliers are located overseas and will be the focus of our supplier risk management program going forward.

While we have classified some of our suppliers as potentially high risk, this does not mean that these companies are knowingly causing or contributing to modern slavery. They are, however, in high-risk industry sectors or geographic areas, or use commodities known to have higher risk of worker exploitation. They may also use vulnerable people in their workforce.

As such, we consider these suppliers to be a higher priority. Our modern slavery risk management program will focus on engaging these key suppliers and developing a greater understanding of potential risk in their supply chains (for example, our Tier 2 and Tier 3 suppliers) and the systems and processes they have in place to manage modern slavery risk.

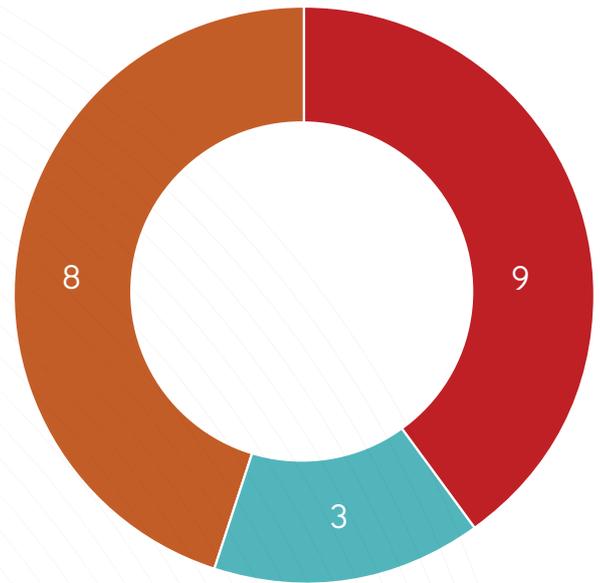


Diagram 3: Spend category by risk.

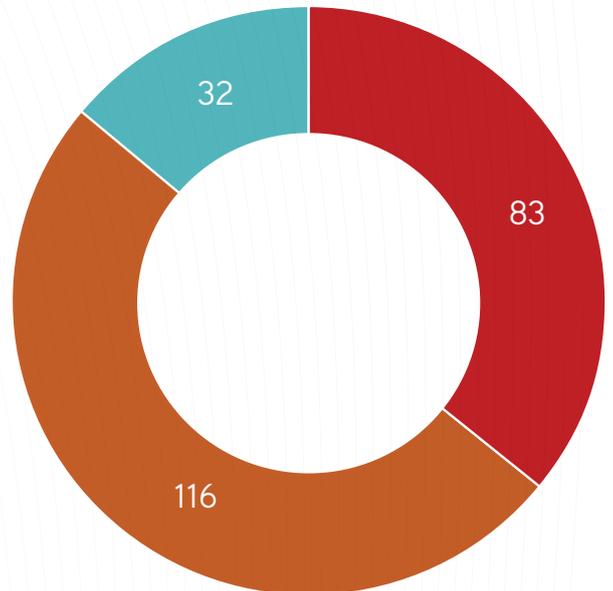


Diagram 4: Potential risk by number of suppliers.

BRAND RISK

Our initial risk assessment also identified potential modern slavery risk associated with different brands within our household consumables and health and beauty ranges. Results of the analysis enabled us to better prioritise our modern slavery risk management actions and focus on potentially high risk brands and suppliers.

We recognise that there is a high likelihood of modern slavery risk in our supply chain given the diversity of regions we procure from and will focus our initial supplier due diligence efforts on our highest risk international suppliers. A review of the Global Slavery Index and other publicly available information indicates that the following forms of modern slavery and worker exploitation may be present in our supply chain:



Forced, Bonded and
Indentured Labour



Deceptive
Recruitment



Child Labour



Exploitation of
Migrant Workers



Underpayment
of wages



Excessive Hours

By way of example, we procure finished goods in our household consumables range from China, ranked 111th out of 167 on the Global Slavery index (GSI). While the GSI indicates that less than 1% of the population of China is living in modern slavery (3.9 million people), the vulnerability of people to modern slavery is 50.65 out of 100. China is now the second largest economy in the world with much of its rapid economic development the result of a domestic economy specialising in the production of labour-intensive, cheap goods for export. Forced labour mainly occurs in the production of these goods, including in the manufacturing and construction sectors, as well as in more informal industries. China's network of state detention facilities that use forced labour is also widely reported. The government's response rating to managing modern slavery is a CC.

We also procure finished goods in our health and beauty range from Indonesia (ranked 74th out of 167 on the GSI), with an estimated 1.2 million people living in slavery and a vulnerability rating of 50.45/100. While the government has made some progress in managing modern slavery in Indonesia, child labour and forced labour remains prevalent across a range of industry sectors and in commodities harvested in Indonesia. Some of these may form part of our supply chain, including within the forestry, paper and board production, textiles, manufacturing, assembly, and packaging sectors.

REPORTING CRITERIA 4: ACTIONS TAKEN TO ASSESS AND ADDRESS RISK

We do not tolerate modern slavery and are committed to conducting our business to prevent and tackle modern slavery in our operations and supply chain. Our commitment extends to workers in our extended supply chain and other people touched by our business activities.

Addressing modern slavery risk is a complex and challenging process and our response will evolve as we continue to improve the capabilities of our people and our business systems and processes.

As stated earlier, this reporting period saw the business address multiple challenges including a substantial organisational review leading to widespread structural changes. This was completed in parallel to addressing two external take-over bids and the acquisition of the Fusion and Oriental Botanicals brands. Whilst some progress towards reducing the risk of Modern Slavery occurring in our supply chain was achieved, these factors, compounded with the challenges of COVID-19, have delayed the implementation of many aspects of our Modern Slavery Program.

OUR ACHIEVEMENTS THIS REPORTING PERIOD

MODERN SLAVERY ACTION PLAN

Supported by external experts we developed a detailed Modern Slavery Action Plan and three-year road map based on the findings of the gap analysis workshop and supplier risk prioritisation.

Four broad themes addressed in the Action Plan are:

1. enhancing our approaches to modern slavery governance, due diligence, risk and compliance
2. developing capacity within our procurement and supply chain systems and processes
3. engaging our suppliers (targeting high risk categories and suppliers) and monitoring progress
4. delivering awareness training and communications to our board, staff, and stakeholders.

The Action Plan will drive our program and includes key responsibilities and timeframes for delivery within each of the themes. Implementation of our plan will be reported to our Senior Leadership Team (SLT) and our Audit and Risk Management and Compliance Committee regularly.

The following actions were completed in this reporting period:

LEADERSHIP ENGAGEMENT AND AWARENESS RAISING

Our modern slavery gap analysis workshop was the first step in engaging members of our SLT on the requirements of the Modern Slavery Act. Since the initial engagement, we have continued to communicate our progress to our SLT and seek input and support on this important issue from across our business divisions.

MODERN SLAVERY GOVERNANCE

Our Board has been briefed on the Modern Slavery Act 2018 (Cth) and our legislative reporting requirements. Modern slavery risk findings were provided to the Audit and Risk Management and Compliance Committee on a regular basis. We will continue to build on our governance framework to ensure actions for measuring and reporting on modern slavery risks are documented, communicated, and verified.

MODERN SLAVERY OWNERSHIP

Towards the middle of 2021 the business began the recruitment process of appointing a Sustainability Manager. The details behind this (budget, scope, experience level and so forth) were progressed during the 2nd half of 2021 and resulted in the position being filled in December.

Progressing our response to Modern Slavery is one of the initiatives which fall under the responsibility of this role. It highlights the seriousness with which the business takes this issue and the broader requirements of transitioning to a more sustainable business.

Table 1: Modern Slavery Roadmap

	Immediate steps Review / Plan / Engage	Near Term (12-18 months) Implement	Longer term (>18 months) Extend / Review
Risk management	<ul style="list-style-type: none"> Develop Modern Slavery Action Plan Identify and prioritise Tier 1 suppliers for potential risk 	<ul style="list-style-type: none"> Establish goals, targets and KPIs to effectively assess and address modern slavery risks Undertake gap analysis of existing procurement policies and update policies as required Incorporate modern slavery risk assessment into risk framework Assess and manage modern slavery risks in labour hire contracts 	<ul style="list-style-type: none"> Develop modern slavery supplier engagement / comms strategy Undertake further due diligence of priority suppliers Develop documented corrective action plans with high-risk suppliers
Governance, systems, and processes	<ul style="list-style-type: none"> Integrate modern slavery initiatives into Group Sustainability systems and processes Educate and inform Board of Directors and explore options for governance framework Review Whistle-blower Policy and process 	<ul style="list-style-type: none"> Continue to educate and update Board of Directors Establish governance framework for managing modern slavery risks and assign responsibilities across the organisation Include modern slavery clauses in all new high risk supplier contracts 	<ul style="list-style-type: none"> Incorporate performance standards and evaluation criteria into high-risk contracts Incorporate modern slavery response and remedy plan into Crisis Management Plan Review worker voice data collection opportunities for at-risk workers in the supply chain
Training, awareness, and engagement	<ul style="list-style-type: none"> Educate team leaders and other key internal stakeholders on modern slavery and legislative reporting requirements 	<ul style="list-style-type: none"> Create broad internal modern slavery engagement and awareness program Incorporate modern slavery awareness in staff induction programs 	<ul style="list-style-type: none"> Undertake modern slavery training needs analysis Develop specific modern slavery training for key roles such as procurement, legal, sales and HR
Monitor and report	<ul style="list-style-type: none"> Brief Audit and Risk Management and Compliance Committee and obtain sign-off on Modern Slavery Statement 	<ul style="list-style-type: none"> Establish programs and KPIs to measure effectiveness Develop or refine data management systems for modern slavery reporting 	<ul style="list-style-type: none"> Review effectiveness of modern slavery monitoring and reporting program

REPORTING CRITERIA 5: EFFECTIVENESS ASSESSMENT

REPORTING AND ACCOUNTABILITY

As we track our journey to manage modern slavery risks, we leverage the following review process to ensure we make tangible progress towards achieving our goals.

Annual Review – Board

Our annual Modern Slavery Statement is approved and signed off by the Board as per mandatory reporting requirements.

Biannual Review – Audit and Risk Management and Compliance Committee

Action Plan progress, issues and achievements are reviewed by the Audit and Risk Management and Compliance Committee regularly as part of the compliance update.

EFFECTIVENESS INDICATORS FOR THIS REPORTING PERIOD

As captured elsewhere in this statement, whilst some progress was made in this reporting period, our implementation of actions to improve our approach to Modern Slavery was materially impacted by other factors, namely:

- Underwent a substantial organisational review and consequent restructure
- Acquired Fusion Health and Oriental Botanicals as new brands in our health and wellness business
- Experienced two unique takeover bids

As the business progresses with implementing our action plan, relevant indicators for effectiveness will be developed and tracked.

REPORTING CRITERIA 6: PROCESS OF CONSULTATION WITH ENTITIES OWNED OR CONTROLLED

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

REPORTING CRITERIA 7: OTHER INFORMATION

ORGANISATIONAL RESTRUCTURE AND OTHER ACTIVITIES

During this reporting period McPherson's:

- Underwent a substantial organisational review and consequent restructure
- Acquired Fusion Health and Oriental Botanicals as new brands in our health and wellness business
- Experienced two unique takeover bids

In combination, these activities generated a significant impact to the business. Particularly with the focus and capacity of staff to undertake all the action plan items to progress our approach to managing Modern Slavery as a business. These are seen as interrelated, one-off activities which are now behind the business.

One of the benefits of the restructure has been a renewed focus on Sustainability for the business. Modern Slavery is a subset of becoming a more sustainable business and is scheduled to become more integrated into BAU activities throughout the second half of the next reporting period. This will be driven by the newly appointed Sustainability Manager.

OUR COVID-19 RESPONSE

The pro-active actions taken by McPherson's since the COVID-19 pandemic was declared were promptly established to safeguard all our employees in Asia-Pacific. The ongoing wellbeing and support of our employees as they work in challenging circumstances is our highest priority. To this end, we have clear and specific pandemic protocols implemented across the company with clear communication protocols established to ensure that employees working remotely are supported.

Maintaining the continuity of our supply chain has also been a key focus during the COVID-19 pandemic with the minimal level of disruption a testament to our close and valued relationships with our suppliers and customers. However, COVID-19 continues to limit our ability to conduct site supplier audits due to lockdowns and the restrictions enabled to maintain health and safety. As a result, we increased the number of self-assessment reports that were received and worked closely with our suppliers to ensure impacts of COVID-19 were minimised.

We have been consistent in paying full corporate taxes, employing additional staff, and continuing to grow our business without assistance from the Australian taxpayer in the form of job keeper or job seeker subsidies.



MCPHERSON'S

Est. 1860