

MODERN SLAVERY STATEMENT
2021





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OUR COMMITMENT

At Michael Hill, we exist to create the moments that matter for our customers, our communities and our team. Founded in New Zealand, Michael Hill has expanded to also operate in Canada and Australia, with our supply chain spanning across the world.

Through our innate business operation of selling high quality jewellery, designed to celebrate the moments that create the stories of our lives, we value the inherent connection we have to each other as humans. Modern slavery, therefore, is an absolute contradiction to the core of who we are, hence our commitment to assist in the eradication of modern slavery, human trafficking and exploitation of workers in all the countries in which we operate. We stand for freedom in its essential definition: *“the ability to move or act freely; the state of not being a slave, prisoner; or, the state of not having or being affected by something unpleasant, painful, or unwanted”*.

At Michael Hill, 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, however, shows that even in today's society, women and girls are the majority of victims of modern slavery. The stark difference between these very facts show the connection between our brand and the importance our contribution can make to eradicating this global issue.


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, and are striving to become an industry leader in this space.

This is our second Modern Slavery Statement, and although it is a reporting requirement, we take our commitment to improving seriously, recognising the role we play in driving global social change. This statement outlines our journey towards gaining greater transparency of our complex supply chain and how we can improve in alignment with the Modern Slavery Act.

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 23 December 2021.

This statement is signed by Daniel Bracken in his role as Managing Director and Chief Executive Officer of Michael Hill on 23 December 2021.



Managing Director and Chief Executive Officer
23 December 2021

INTRODUCTION

This is the second Modern Slavery Statement for Michael Hill International Limited and its subsidiaries (Michael Hill or the Group), covering the financial year ended 27 June 2021 (FY21). The statement outlines the approach and actions taken by the Group to identify, manage and mitigate risks in accordance with the Australian Modern Slavery Act 2018.

At Michael Hill we are consistently striving to be and do better for our customers, environment, teams and our community, and the revised focus on environmental, social and governance (ESG) issues throughout our supply chain and product offering will drive significant change. Doing the minimum required is not enough for Michael Hill, and we are committed to upholding and improving human rights and fair working conditions for our team members and suppliers.

Modern slavery has the potential to exist within our supply chain, which is complex given the relationships between our suppliers and the upstream mining and procurement of key source materials that go into the making of our products. We acknowledge our current modern slavery process requires maturity and enhancement. To this extent we have developed a journey towards gaining greater transparency over our complex supply chain to understand the issues at all levels, to identify and mitigate modern slavery risks, and to confidently operate as an ethically responsible business in line with our core values.

Our Core Values



Genuinely committing to addressing modern slavery risks requires oversight and governance, starting with our Board and being managed through the Group's executive management and leadership team. We have a plan for clear action, continuous improvement and collaboration within our supply chain. This builds on the controls we established in FY20 to improve our management of modern slavery risks to a state where we can gain more confidence that our supply chain is conflict-free and our inventory is ethically sourced wherever possible.

We will continue to focus on our three core pillars, to ensure we are protecting our ecosystem and contributing to the communities we serve in meaningful ways, for generations to come:

Love our Communities – We strive to have a consistent and positive impact in the global communities we work with and operate in.

Love our Team – Our priority is to create a diverse and inclusive environment which allows our team members to be their authentic selves and feel their growth is recognised and supported.

Love our Environment and Product – We will consistently search for a better way to operate, to benefit and reduce our impact on the environment.

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

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 HEAD OFFICE

Our distribution centre, located in our Brisbane Head Office, supplies product across the entire store network and to our e-commerce customers. The establishment of a Canadian distribution centre will occur in FY22 servicing the Canadian store and customer network.

The Group employs approximately 2,000 permanent employees globally, with the majority of these employees based in our retail stores. The remaining employees work in manufacturing, distribution and corporate roles. The retail team is supplemented with a casual workforce to cater for seasonal peaks in the retail calendar and the employee base grows to over 3,000 at Christmas.

Many of the Michael Hill branded jewellery pieces are crafted in-house by a team of master jewellers in our Brisbane manufacturing workshop.

RETAIL BRANDS

michael hill

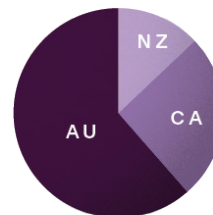
The Group directly operates 285 Michael Hill branded stores and eCommerce channels in Australia, New Zealand and Canada. As at the end of FY21, our store network consists of 150 stores in Australia, 49 stores in New Zealand and 86 stores in Canada.

MEDJEY™

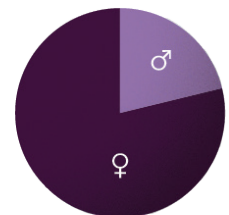
Medley is a pure-play e-commerce business available in Australia and New Zealand (launched in FY22). Product is sourced through the Michael Hill supply chain.

OUR TEAM

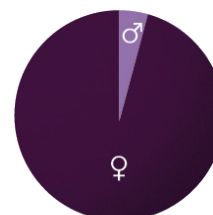
AS AT 27 JUNE 2021



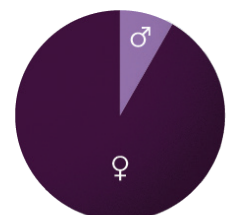
TOTAL EMPLOYEES BY REGION



FULL TIME EMPLOYEES BY GENDER



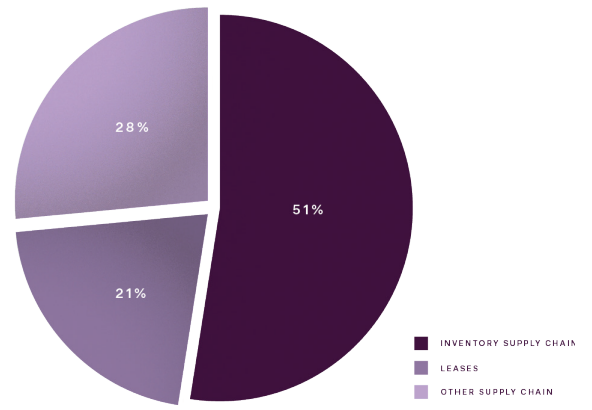
PART TIME EMPLOYEES BY GENDER



CASUAL EMPLOYEES BY GENDER

SUPPLY CHAIN

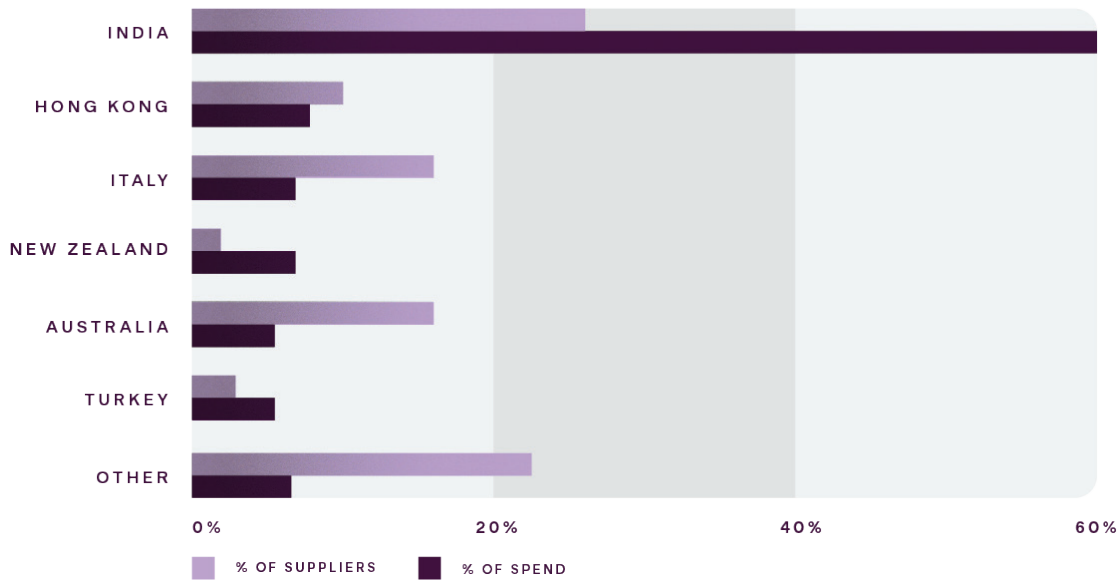
Michael Hill's merchandising, procurement and leasing teams manage our supplier relationships. In FY21 we worked with approximately 1,150 suppliers globally with a consolidated spend of \$364 million, broken down as shown opposite.



INVENTORY SUPPLY CHAIN

Over 50% of our total supplier spend is attributed to our inventory supply chain, of which 72% of Michael Hill's total inventory supplier spend is attributed to the top 10 suppliers.

Michael Hill deals directly with key suppliers who provide finished jewellery products, component parts (e.g. loose stones, ring shanks, precious metals etc.) and product packaging. We have well-established and long-standing relationships with suppliers located throughout Asia, Europe, Australia and New Zealand. A breakdown of our jewellery supply base per country (as loaded on the supplier platform) is shown below:



Given the nature of our products and core materials, 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.

OTHER SUPPLY CHAIN

Other supply chain categories include suppliers whose services contribute to our operations and administrative functions, including third-party jewellery repairers, store fit-out services, security services and technology support providers.

RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

ENTITY RISK

In FY20 Michael Hill initiated a holistic assessment of its exposure to and risk of modern slavery practices within the Group's operations and supply chain. The risk assessment considered 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 was conducted at a whole-of-group level and included an understanding of 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.

Since then we have continued to focus on the Group's exposure to risks of modern slavery practices. We acknowledge that these risks are concentrated in our inventory supply chain given the geographical spread which includes countries with a higher Global Slavery risk index and the nature of product supplied to these suppliers to produce product for Michael Hill to sell. Mining is specifically called out as one of these risks and we need to do more to gain visibility of the upstream impact on our supply chain.

Outside of our inventory supply chain, the residual spend relates to the management of our lease portfolio, logistics and marketing. Therefore, our inventory supply chain remains our primary area of focus where modern slavery risks may exist.

GEOGRAPHICAL RISK

The 2018 Global Slavery Index shows that Michael Hill's three regions of operation (Australia, New Zealand and Canada) are all rated "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 "strong".

The societal environments of these nations, coupled

with the internal governance, control and reporting mechanisms in place mean 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. Michael Hill recognised this early in FY19, and has publicly acknowledged, apologised for our failure in this area and have a plan for remediation. We are working with external parties to ensure the remediation is correct, and fairly completed. The execution of this remediation program of work has been slowed by Covid-19, but the majority of this remediation is now complete.

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 increased risk of modern slavery due to factors such as weaker governance structures and socioeconomic factors such as poverty. Higher risk supplier countries include India, Thailand, Myanmar, China and Turkey. 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 who operate in these countries.

Our suppliers in India are predominantly in the jewellery sector and conform to the Responsible Jewellery Council guidance and accreditation (see further information in the next section). We have worked closely

with these suppliers to understand their operations and supply chains. 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.

Suppliers outside of India and Hong Kong have been identified within Asia and more work is required to fully understand their supply chains. Ensuring we have visibility of this is a priority for the the next two years.

EUROPE

The Group deals with several Italian suppliers to source finished jewellery. Italy has a low to medium risk of Modern Slavery per the Global Slavery Index.

All Italian-based suppliers have completed the Ethical Supply Chain Assessment which includes targeted questions on forced and child labour. This forms part of the overall supplier due diligence approach which is outlined in more detail in the next section.

SUPPLY CHAIN RISK

As a member of the jewellery industry, we recognise 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 seek 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.

With these inherent risks and the complexities that exist within our supply chain given the number of suppliers and locations, 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. Accordingly, the risk remains that Michael Hill may be indirectly linked with modern slavery by inadvertently accepting materials that were originally sourced from such mines.



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 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 Chief Executive Officer and Group Executives. The 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.

The governance framework for the management of Modern Slavery at Michael Hill is shown below:

BOARD OF DIRECTORS

Responsible for reviewing and approving our Modern Slavery Statement. Delegates authority to the Audit & Risk Management Committee in relation to the review and monitoring of material business risks.

AUDIT & RISK MANAGEMENT COMMITTEE

Responsible for reviewing and monitoring material business risks, including the risk of modern slavery in our operations and supply chain.

MANAGING DIRECTOR AND CEO AND GROUP EXECUTIVES

Accountable for managing the risk of Modern Slavery in our operations and supply chain.

AUDIT AND RISK TEAM

Accountable for the design of the Supplier Due Diligence Program and Guiding Responsible Sourcing Practices.

PROCUREMENT

Accountable for the management, performance and oversight of suppliers

MERCHANDISING

Accountable for managing supplier performance and quality of product

POLICIES AND EDUCATION

The Board has established a Code of Conduct (the Code) for its Directors, Group 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 also available to all employees and provides guidance on the formal and informal grievance management processes.

Michael Hill has developed a Diversity and Inclusion Policy. 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 both the objectives, and Michael Hill's progress in achieving them.

Our 2021 annual engagement survey result of 85% shows our team see Michael Hill as a great place to work and feel a sense of personal accomplishment in their roles at Michael Hill. Each market we operate in experienced engagement results that were higher than in previous years and are well above global and country retail benchmarks. With 86% of our workforce having their say and completing the survey we are confident that these results are reflective of our teams' experiences.

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 policies and procedures are the basis for how we operate, including identifying and addressing risks of modern slavery. Every year all employees are required to complete mandatory training on key policies and compliance areas. In FY22, the Board and the Group Executive team will complete Modern Slavery Awareness Training, as well as distribute communications and updates to all employees on this topic.

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.

Our people are obliged to report any breaches of Group policy or activity which indicates a breach of this policy. This can be reported through to all levels of management. Alternatively, breaches of Group policy or activity which indicates a breach of policy, can be reported 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 to 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 are available, including being able to elect to remain anonymous.

RESPONSIBLE JEWELLERY COUNCIL MEMBERSHIP

Michael Hill is a certified member of the Responsible Jewellery Council (RJC). The RJC is a standards-setting organisation that has been established to advance responsible ethical, human rights, social and environmental practices throughout the diamond, gold and platinum group metals jewellery supply chain.

The RJC provides a clear set of standards – the RJC ‘Code of Practices’ for its members. Adherence with the Code of Practices (COP) is verified through a third party, independent, certification process. The following three RJC COPs relate to modern slavery and we have outlined our modern slavery compliance accordingly:

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

By adopting these COPs, the Group has a framework that aligns to industry standards and is specific to the jewellery industry where specialised processes and procedures are required to ensure modern slavery risks are addressed.

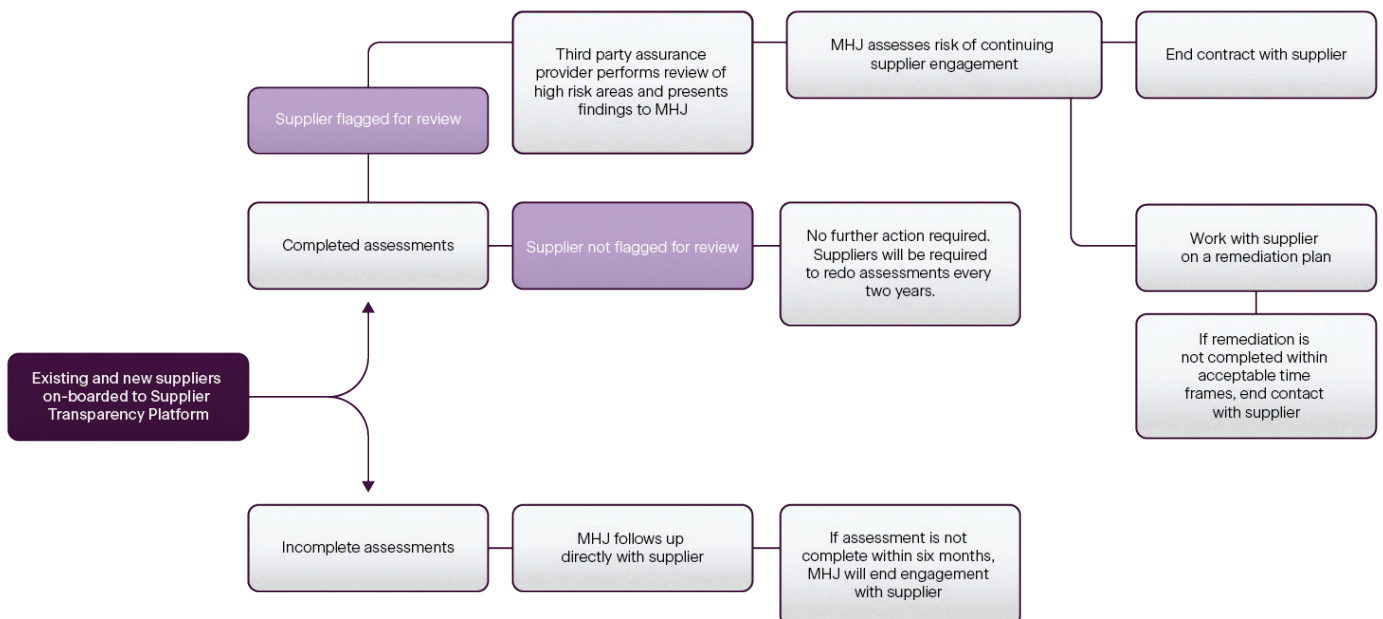
Michael Hill’s RJC accreditation expires in February 2022, where we will undergo recertification. For FY21 and FY22 we have implemented processes that comply

with the standards of the RJC. We recognise that more work is required, and this is built into our roadmap for improvement.

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 an online questionnaire. The questionnaire is an in-depth assessment which was designed in line with the RJC’s Code of Practices. The information gathered is assessed and assigned a risk score which is combined with other risk factors, such as the geographic location of the supplier’s operations, 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 desktop 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 third-party, Bureau Veritas (testing, inspection and certification provider). Currently RJC accredited vendors complete a more streamlined questionnaire, as they undergo similar assessments to Michael Hill from the RJC within a three-year period.

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



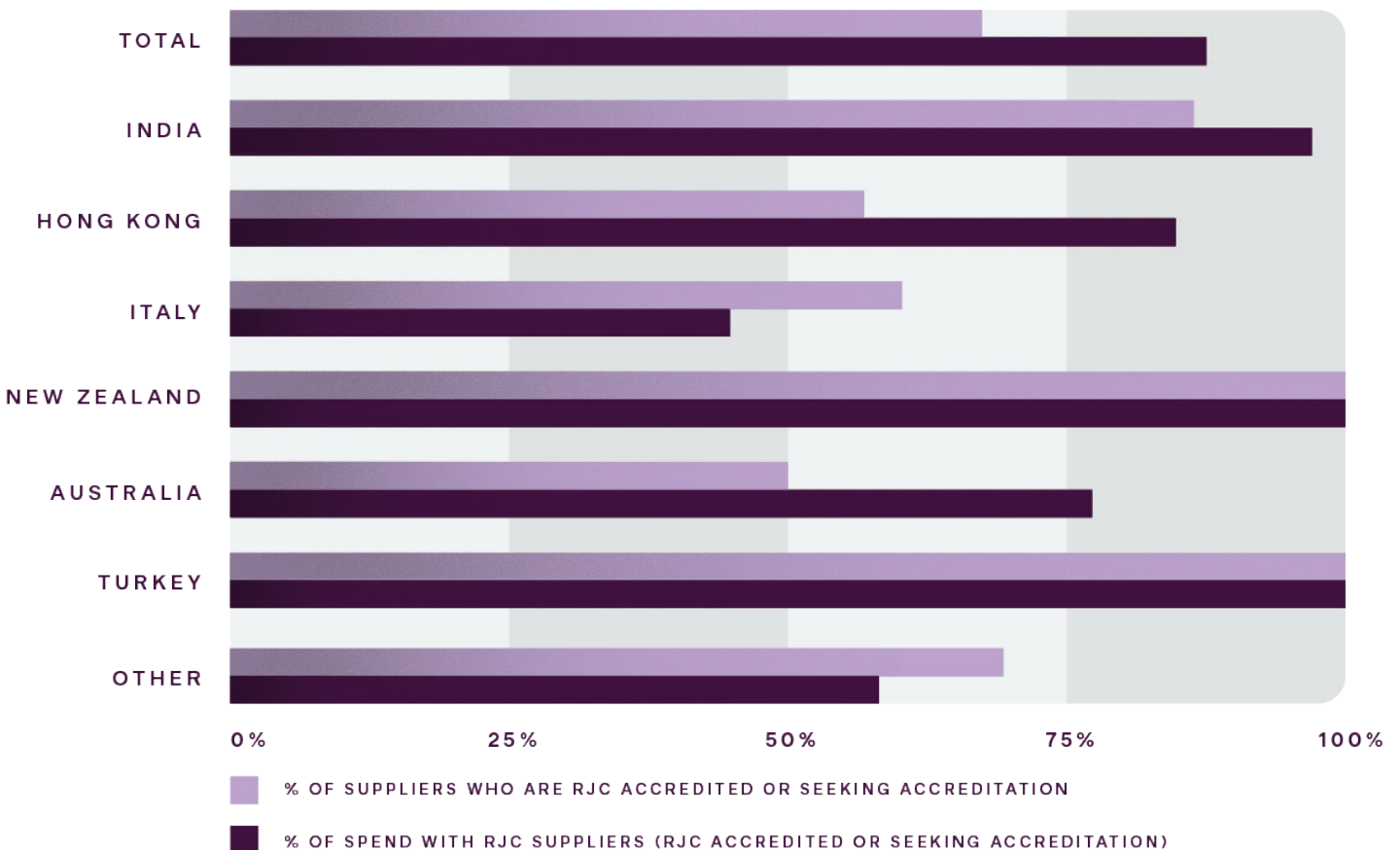


PROGRESS MADE IN FY21

During FY21 Michael Hill has progressed the due diligence process by ensuring all jewellery and watch suppliers have completed the Ethical Supply Chain Assessment and any new suppliers are added to the platform as part of the new supplier onboarding process. Suppliers were proactive in their response to the assessment and facilitated questions as required. The assessment has helped to strengthen supplier relationships and given a deeper level of understanding into their operations. The information collected through the assessment has assisted Michael Hill to identify and commence assessing potential red flags in our supply chain.

Michael Hill has engaged its top 67 suppliers (wholesale, manufacturing and packaging suppliers), representing 60% of total supplier spend, to complete the assessment. As at 30 June 2021, 93% have completed assessments.

Most of our major suppliers are certified members of the RJC. By working with suppliers who are certified members of the RJC, Michael Hill reduces the risk of unethical business practices existing in its supply chain. The aim is to have 80% of key jewellery suppliers being fellow members of the RJC in 2022, and 100% by 2026.



Where suppliers are already RJC accredited, they complete a simplified version of the assessment, whilst non-RJC suppliers are required to complete a more detailed assessment, which includes information on:

- Site information
- Responsible procurement, including supplier vetting and sourcing of raw materials used in producing finished goods provided to Michael Hill
- Social, including child labour, forced labour
- Environment and sustainability
- Business ethics, including money laundering and corruption
- Business performance
- Health and safety.

This provides a view in line with key RJC and modern slavery requirements.

Bureau Veritas are performing independent audits and verification over the completed assessments. Targeted reviews are mandated in cases where more clarity is required or there are concerns identified by the initial assessment.

When renewing supplier contracts, we place significant weighting on whether that supplier's ethical and environmental standards are aligned with ours.

In FY22 Michael Hill will ensure more of our existing suppliers complete the Ethical Supply Chain Assessment as part of contract renewals, as well as any new suppliers being considered as part of their onboarding process and changes to existing supplier operations. Results of reviews will be risk assessed and decisions made around the future supplier relationship.

The progress and development of this assessment process has been impacted by the Covid-19 crisis as suppliers have scaled back workforces and the inability for Michael Hill and Bureau Veritas to attend operational sites. We expect as Covid-19 restrictions ease, the progress and depth of assessments across both RJC and non-RJC suppliers will improve.

OUTLOOK FOR FY22 AND BEYOND

When renewing supplier contracts, we will continue to favour suppliers with ethical and environmental standards that are aligned with ours. 100% 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 want to only work with jewellery suppliers in the industry who are certified members of the RJC.

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 of jewellery, component parts and raw materials. It clearly establishes Michael Hill's expectations and minimum standards of suppliers in relation to ethical matters, including modern slavery. Additionally, it identifies actions that may be taken if any breach of the Code is identified.

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 will be reviewed to understand the level of supplier acknowledgement and acceptance of Michael Hill's operational expectations.

Establishing strong, long-standing relationships with suppliers: most of our top suppliers have supplied goods and services to Michael Hill for several years, and in some cases decades. Michael Hill's supplier strategy is founded on producing design-led premium quality jewellery, in partnerships that deliver a balanced approach to quality, price, sustainability and reliability of supply.

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. Our diamonds are purchased from legitimate sources in accordance with the Kimberley Process Certification Scheme (KPCS), as supported by the World Diamond Council System of Warranties. The KPCS 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 over the next few years reflect our commitment towards progressing a circular economy agenda, including:

- Using gold from Australian and New Zealand sources
- Using recycled gold and silver to craft new products
- Ensuring the legitimacy of the gold and silver supply chain includes validating product from trusted sources, such as LBMA, RMI, DMCC, Signet SRSP or RJC Chain of Custody accredited refiners
- Introducing traceable diamond and sustainable laboratory-created diamond programs
- 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.

SPONSORSHIP IN FY21

HELPING SAVE THE CHILDREN THROUGH COVID-19

Throughout the 2020 festive period we celebrated with our Ellie-Mae Sparkle initiative, a children's book (with illustrations by Sir Michael Hill and words by award-winning author, Emma Mactaggart) sold in store to raise funds towards Save the Children's Covid-19 response efforts. Thanks to the sales of Ellie-Mae's Sparkle, we successfully raised over \$30,000 for Save the Children, supporting disadvantaged children across our Australian, Canadian and New Zealand communities.

EMPOWERING WOMEN GLOBALLY WITH DRESS FOR SUCCESS

Aligning with International Women's Day in March 2021, Michael Hill partnered with global charity, Dress for Success; a non-profit organisation that empowers women to achieve economic independence. Dress for Success 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.

We created a sterling silver pair of earrings with Michael Hill donating more than 50% of the gross sales proceeds to Dress for Success. With incredible engagement from our team and customers across all markets, we raised over \$14,500 to help empower women globally.

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 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.

Our improvement actions and our journey demonstrates ongoing maturing of controls and processes. Our work to date has identified the following challenges and lessons learnt:

- Our Ethical Supply Chain Assessment covers 500+ questions for non RJC suppliers to complete. The completion has been a slow process and the Covid-19 pandemic further impacted completion rates.
- The design of the assessment did not incorporate transparency over suppliers with multiple operating entities. In some responses, the assessment only provided coverage over a small segment of the suppliers' operations. The assessment will be redesigned in FY22 to ensure full coverage of all operating entities of Michael Hill's suppliers are accounted for.
- We have gained a significant amount of data and information from our jewellery and packaging suppliers. Assessing and interpreting the outputs has taken time to fully understand and will help Michael Hill to enhance our minimum expectations from suppliers.
- The scoring mechanism within the supply chain transparency platform has not provided the insights anticipated and is therefore under review, with recalibration to then follow.

- Covid-19 continues to impact our business and supply chain. Throughout FY21 Covid-19 lockdowns in each of our operating countries has limited our ability to keep all stores open for sustained periods of time. This has meant shutting stores and having staff work remotely where possible. We have also sought to have our staff engage virtually with customers to provide unique experiences supported by delivery from non-Covid-19 affected areas. Furthermore, we have supported our staff with access to government subsidies and where necessary additional top-up company funding to support employees.
- Our suppliers have continued to operate but also have felt the impacts of Covid-19 through reduced operating capacity and demand for product. We have worked closely with those most affected to provide support where necessary. This has taken the form of providing certainty of supply requirements and assisting with cashflow where necessary.
- A key impact has been restrictions on travel, and we remain unable to visit key supplier locations.

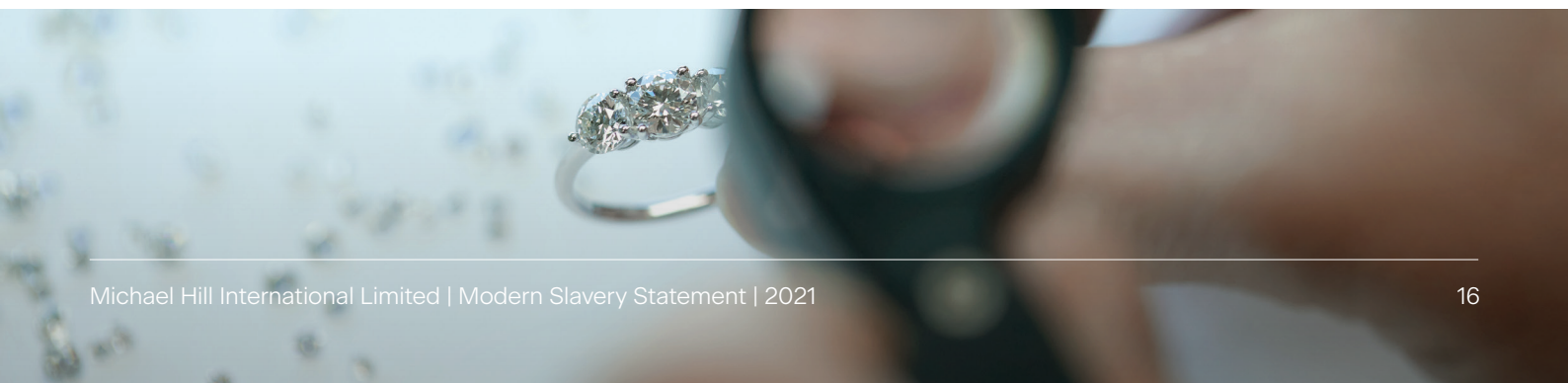
We acknowledge that gaining full transparency over our supply chain will take time and we need to delve deeper into our suppliers and their supply chains. However, the structures and monitoring mechanisms and frameworks established will help to gain improved transparency.

To date, no instances of modern slavery have been identified within Michael Hill's supply chain. If a modern slavery practice were to be identified that Michael Hill had caused or contributed to, immediate action would be taken to cease and remediate the impact of the practice. Further, Michael Hill would use its purchasing leverage to work with the entity that caused the impact to prevent or mitigate the harm and reoccurrence. If such efforts were to be unsuccessful, Michael Hill reserves the right to immediately terminate its relationship with the supplier.

HOW WE CONTINUE TO IMPROVE

Michael Hill recognises that modern slavery risks continue to evolve, and so must the Group's activities and responses which require long term planning and vigilance. In line with Michael Hill's modern slavery evolution journey our roadmap focusses on the following major areas:

FOUNDATION	ENHANCE	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 Review and update of key supplier contracts and supply terms and conditions Covid-19 response plan and crisis management 2021 Group team engagement survey Updated Code of Conduct Health, safety and wellbeing focus Appointment of senior leader responsible for Sustainability Alignment of modern slavery questionnaire to RJC Issued our first Modern Slavery Statement 	<p>FY22 - FY24</p> <ul style="list-style-type: none"> Establish a process for undertaking due diligence for Tier 2 and 3 suppliers Review of new supplier onboarding process, including simplifying the assessment process to include pre-screening questions Establish an Ethical Supply Chain Assessment tailored to non-jewellery industry suppliers Onboarding more suppliers onto the supplier transparency program. The focus will be on cleaning, security, and repair suppliers initially with an aim for all suppliers to be monitored through the supplier transparency platform Restarting, when possible, the regularity of supplier visits to high risk production facilities Assess high risk suppliers for audits to be completed and developing 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 Modern Slavery Training for Michael Hill Board and Executive Team and relevant senior leaders Review of current grievance mechanisms Sustainability objectives and achievements being publicly shared – holding us to account Issuing our second Modern Slavery Statement Sustainability – core pillar of our strategy 80% of all key jewellery suppliers being RJC accredited 	<p>FY25+</p> <ul style="list-style-type: none"> Complete Modern Slavery effectiveness review 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 Working with our third-party independent verification and audit partner on high risk suppliers. Undertake due diligence for Tier 2 and 3 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





michael hill[®]
INTERNATIONAL LIMITED