

MODERN SLAVERY STATEMENT 2020



www.merivale.com

This statement has been approved by Hemmes Trading Pty Ltd Board of Directors

Justin Hemmes, Chief Executive Officer

INTRODUCTION

Merivale supports the progress made in raising awareness of modern slavery by the implementation of the Modern Slavery Acts of both the Commonwealth of Australia and the NSW State Government.

We understand that tackling modern slavery within businesses and their supply chains requires a continuing commitment. We are dedicated to collaborating with our stakeholders to encourage progress on this human rights issue.

2020 is Merivale's first reporting year under the Act. This statement along with related policies and procedures will continually be assessed and edited to include findings in future reporting cycles.

We recognise that the economic impacts of the pandemic may heighten the risk of modern slavery, particularly in sectors already most vulnerable to human rights abuses. This reinforces the importance of the Act and Merivale's obligation in this respect.

OUR BUSINESS

Merivale is one of Australia's leading hospitality companies. At Merivale we aim to bring a little magic into the everyday. We are driven to deliver unique and memorable experiences to every person who steps into one of our venues.

Owned and operated by the Hemmes family for over 60 years, Merivale began as an iconic fashion house created by John and Merivale Hemmes. Merivale's fashionable beginnings were soon followed by a venture into hospitality, opening a tea café within their Sydney CBD fashion building in 1970. From there, Merivale's hospitality roots were firmly planted.

Merivale is led by CEO, Justin Hemmes, whose creativity and attention to detail has made Merivale what it is today. Hemmes has become a pioneer within the Australian hospitality industry, growing the ever-expanding Merivale portfolio to over 70 brands and venues; and employing more than 3,000 staff.

Merivale's four core values are: Excellence, Pioneering, Integrity and Caring (EPIC). We will use these values in our dedication to comply with the Modern Slavery Act of 2018.



OUR SUPPLY CHAIN

At Merivale, we have a dedicated procurement team who along with heads of departments are involved in the acquisition of goods and services for the group. During the FY20 year, we engaged the services of over 3,000 suppliers. This number has trended upwards year on year due to our expanding portfolio and guest offerings.

The majority of businesses that we engage in our supply chain are based locally in Sydney, however some do provide us with goods from across the globe. Our largest categories of expenditure lie in beverage and food purchases. Other large supplier categories are construction, cleaning, waste removal, security and entertainment.

OUR MODERN SLAVERY RISK

The Global Slavery Index identifies that in our region of Asia and the Pacific; the countries of North Korea, Afghanistan, and Pakistan are the countries with the highest prevalence of modern slavery, with India, China and Pakistan as having the highest absolute number of people living in modern slavery and accounting for 60 percent of the victims in our region.

Of the 28 countries listed we are thankful that Australia is ranked 26th in the prevalence of modern slavery per capita. However, with approximately 15,000 modern slaves believed to be living on our island home, Australians need to work hard to reduce this number. According to the Global Slavery Index, Australia is the highest ranked country in the region acting to reduce modern slavery.

The Global Slavery Index lists Australia's top five imported products at risk of being produced utilising modern slavery (by USD value) as:

1. Laptops, computers & mobile phones \$7 billion
2. Garments \$4 billion
3. Fish \$368 million
4. Rice \$40 million
5. Cocoa \$22 million

Merivale purchases all of these products, therefore we consciously monitor our suppliers and their supply chains as to modern slavery risks and work with those suppliers in order to create risk awareness and reduce exposure to utilisation of those products.

MERIVALE TAKES ACTION

To clearly identify the "risky" suppliers and products we are working at better documenting our suppliers, their products, places of origin and subcontractors. With this information we investigate further through discussions with suppliers and their employees, including (where feasible) site visits for further scrutinisation. Our aim is to work with current suppliers to create awareness and reduce the impact and risk of modern slavery, rather than removing suppliers from our supply chain.

We have added modern slavery clauses to our new supplier contracts and are working through existing contracts by adding addendums to ensure that the companies we work with are aligned with our values regarding modern slavery.

All prospective new suppliers are briefed on our stance and provided with access to our Modern Slavery Statement so that we can jointly assess whether they will be able to work alongside us in our modern slavery reduction journey.

Merivale is training its employees on modern slavery and the Act through workshops and an online web portal.

Merivale has formed an "Anti-Modern Slavery Assessment Team", consisting of representatives across all departments, who meet quarterly to assess and analyse the effectiveness of these actions. These findings are included in our reported annual statement.

Merivale is taking a multi-faceted approach to not only be in line legally with our obligations under the act, but to morally and ethically be leaders in our field regarding this important human rights issue.