



MODERN SLAVERY STATEMENT

2020



MYER

MY STORE

CONTENTS

Myer Holdings Limited (ABN 14 119 085 602) is listed on the Australian Stock Exchange (ASX: MYR), registered at 800 Collins Street Docklands Vic 3008. This Statement is prepared for Myer Holdings Limited including each wholly owned entity such as Myer Pty Limited, sass & bide Pty Limited, and Marcs David Lawrence Pty Limited, and all other Myer Holdings Limited¹ controlled entities during year ending 25 July 2020 (2020). References to “Myer, we, our or us” in this Statement means Myer Holdings Limited.

¹ List of Myer Holdings Ltd subsidiaries published in Myer Holdings Limited 2020 Annual Report, page 79.

INTRODUCTION

MYER IS AN ICONIC AUSTRALIAN RETAIL BRAND WITH A RICH HERITAGE OF STYLE, FASHION AND COMMUNITY ENGAGEMENT SPANNING OVER 100 YEARS.

We continue to be committed to the highest levels of integrity and ethics in our business operations and work with suppliers and business partners that share our values of accountability and corporate responsibility. This commitment extends to identifying, assessing and addressing risks of modern slavery and human rights within our business and supply chain.

Modern slavery is a serious exploitation of a person’s right to freedom and violation of human rights. It includes situations where offenders use coercion, threats or deception to exploit workers for personal

or commercial gain, undermining workers’ freedom. Practices that constitute modern slavery include forced labour, child labour, servitude, debt bondage and deceptive recruitment. Myer supports and respects the rights and freedom of workers and prohibits modern slavery or modern slavery like practices in its operations and supply chain.

This is Myer’s first Modern Slavery Statement and has been prepared in accordance with the *Modern Slavery Act 2018 (Modern Slavery Act)*. Our approach to modern slavery and human rights is company-wide and the Statement

outlines the actions Myer Holdings Limited has taken over the past year to strengthen and broaden the scope of our Ethical Sourcing Program to assess and address modern slavery risks in our operations and the effectiveness of those actions. This Statement covers and is prepared for Myer Holdings Limited (**Myer**) encompassing Myer Pty Limited, sass & bide Pty Limited, and Marcs David Lawrence Pty Limited.

The Statement has been reviewed and approved by the Directors of the Myer Holdings Limited Board.



ROADMAP SNAPSHOT

WE HAVE A THREE YEAR ROADMAP THAT FOCUSSES ON ENHANCING OUR PRE-EXISTING ETHICAL SOURCING FRAMEWORK, AND INCLUDES ACTIONS TO IMPROVE OUR RISK AND SUPPLY CHAIN MANAGEMENT, DUE DILIGENCE, COMMUNICATION, MONITORING AND TRAINING.

2020	2021	2022
<p>ENHANCE FRAMEWORK</p> <ul style="list-style-type: none"> Update policies and procedures Risk assessment, mapping of supply chain and gap analysis Engage with high priority tier one suppliers Refresh employee training Strengthen supplier contracts with additional clauses on compliance with Modern Slavery Act Supplier questionnaire 	<p>MONITOR & ENGAGE</p> <ul style="list-style-type: none"> Monitor targets and KPIs Update due diligence program to ensure that it addresses key salient modern slavery risks and is fit for purpose Continue to engage tier one suppliers Strengthen worker engagement and training Engage and collaborate with industry and peer groups 	<p>REVIEW & ASSURANCE</p> <ul style="list-style-type: none"> Validate framework Risk based assessment of second tier and beyond Explore more effective mechanisms for addressing modern slavery risks Review options to move beyond audits and build worker engagement program Communicate Ethical Sourcing Program and modern slavery initiatives to customers

COVID-19

WE CONTINUE TO NAVIGATE THE UNIQUE CHALLENGES OF THE COVID-19 PANDEMIC, AS THE SAFETY, HEALTH AND WELLBEING OF OUR PEOPLE AND THOSE IN OUR SUPPLY CHAIN WORLDWIDE REMAINS OUR PRIORITY.

The COVID-19 pandemic caused profound and unprecedented challenges to our business operations, with store closures and stand down of staff. Myer acted promptly to ensure the welfare of its staff, as well as to reduce impact to the future operations of Myer and our supply partners.

We recognise that COVID-19 has had an effect on modern slavery risks and to mitigate these risks we continued to operate our Ethical Sourcing Program

throughout the pandemic. We engaged and encouraged open dialogue with our suppliers to better understand the impacts as well as re-phasing of orders, and implementing extended delivery periods to ensure the pain of disruption was manageable and to ensure ongoing sustainable workforce and supply for future recovery.

The impacts of COVID-19 extended to our overall supply chain, with restricted access and movement due to shutdowns

primarily set by government agencies in the countries we operate. These restrictions resulted in some audits being delayed and Myer employees not being able to visit sites. Further, some aspects of our roadmap for the first reporting period, such as supplier self-assessment questionnaire and targeted training programs were postponed to ensure our team could respond to heightened risks presented by the pandemic.



OUR BUSINESS

MYER IS ONE OF AUSTRALIA’S LEADING RETAILERS OFFERING PRODUCTS ACROSS WOMENS, MENS AND KIDS FASHION, BEAUTY, HOMEWARES, ELECTRICAL GOODS, TOYS AND GENERAL MERCHANDISE. THE MAJORITY OF OUR RETAIL OPERATIONS ARE IN AUSTRALIA WITH A SOURCING OFFICE LOCATED IN HONG KONG AND UNTIL APRIL 2020, IN CHINA.

Our Australian operations include 60 Myer department stores, 44 sass & bide stores^{1,2}, 86 Marcs stores^{1,3} and 79 David Lawrence stores⁴ across all states in Australia and the Australian Capital Territory. Each brand also operates its own ecommerce platform. Our workforce consists of over 9,000 Australian based team members across our support office, warehouses and retail stores; as well as contractors and agents engaged either by contractor or under award agreements. Our sourcing office in Hong Kong employs 47 staff, of whom are based across locations in China, Hong Kong and a small number in India and Bangladesh for the purpose of quality and systems assurance.

Our supply chain operation is extensive and comprises a global supplier network of over 10,000 suppliers, 33% of which are merchandise suppliers. The supplier network is categorised as follows:

Merchandise suppliers

- Private brand supplier – Myer owned brands manufactured under a Myer owned trade mark
- National brand supplier – Branded suppliers with local and/or international proprietary rights for resale by Myer where trade mark is not owned by Myer
- Brand partner supplier – Licensed suppliers selling branded product owned by the licensed business, operating a store-in-store business within Myer stores

Non-Merchandise suppliers

- Goods and services not for resale to customers, engaged to support the

operations of the business such as packaging materials, stationery, visual merchandise equipment, marketing, security, transportation, cleaning and professional services.

Our approach to modern slavery is company-wide, with a governance structure overseeing the management of modern slavery risks. The Myer code of conduct outlines the expectations of all employees, including company directors. In particular, the code requires awareness of, and compliance with, laws and regulations relevant to Myer’s operations, including occupational health and safety, fair trading and dealing, privacy, and employment practices. The Myer Ethical Sourcing Program, launched over 10 years ago includes the identification, assessment and mitigation of modern slavery risks. Each employee of Myer has a responsibility to ensure compliance with our Ethical Sourcing Program with oversight by the Audit, Finance and Risk Committee of the Board.

The Myer Board is accountable for and approves the Myer Ethical Sourcing Policy and framework, and through the Audit, Finance and Risk Committee of the Board, reviews the ethical sourcing risk processes, activities and initiatives. The Executive Management team is responsible for the execution of the policy and framework in their area of responsibility. The Assurance team, reporting to the Chief Financial Officer, is responsible for the development, implementation and management of the broader Ethical Sourcing Program, including modern slavery initiatives.

60

MYER DEPARTMENT STORES

44

SASS & BIDE STORES^{1,2}

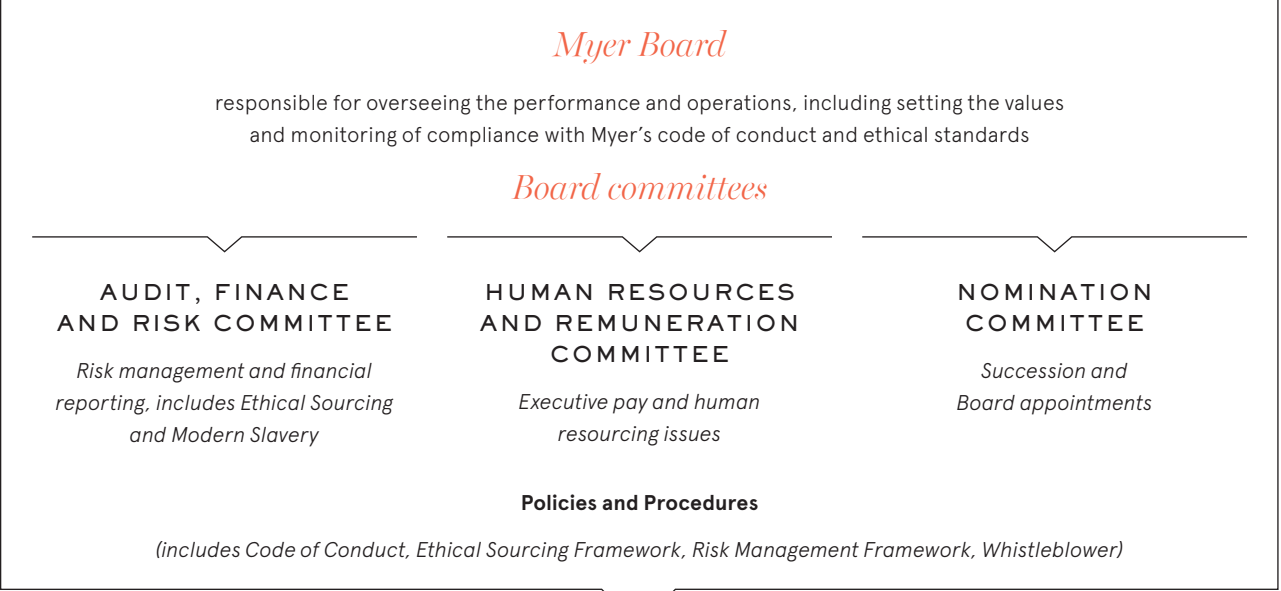
86

MARCS STORES^{1,3}

79

DAVID LAWRENCE STORES⁴

1 Comprises of standalone and department store formats.
2 Includes four stores closed during the reporting period.
3 Includes five stores closed during the reporting period.
4 In department store format.



OUR MODERN SLAVERY RISKS AND REMEDIATION

THE MANAGEMENT OF MODERN SLAVERY RISK IN OUR OPERATIONS AND SUPPLY CHAIN IS INTEGRATED INTO OUR BROADER APPROACH TO ETHICAL SOURCING AND HUMAN RIGHTS, AND IS ASSESSED AND MANAGED IN LINE WITH OUR ESTABLISHED RISK MANAGEMENT AND GOVERNANCE FRAMEWORK.

Myer applies a risk based systematic approach in our sourcing processes, procurement activities, and dealings with suppliers and agents to minimise risks of modern slavery practices. We continually monitor our risk profile to prioritise efforts and to validate and ensure appropriate controls are in place, and individuals have the necessary tools to respond to the risk.

Accountability for addressing modern slavery risk is cross-functional and our internal business units work together, particularly our buying, procurement and ethical sourcing teams, to embed our ethical sourcing initiatives and supporting processes. Our Ethical Sourcing Program, standardises Myer's approach to ethical sourcing and modern slavery due diligence. The program outlines the sourcing activities for goods to ensure they comply with Myer's requirements, and has improved over the past year through enhanced due diligence, risk assessment and mitigation processes.

A risk assessment was completed as part of our approach of identifying, assessing and prioritising modern slavery risks. The assessment considered various factors including the nature of our relationship with the supplier and its network, the type and spend of goods or services, geographic location, level of human rights protection and vulnerability, development of the population, reputable media reports such as Global Slavery Index, and other global indicators including labour rights, health and safety and corruption indices.

The assessment identified the following material modern slavery risks to our operations and supply chain:

- Forced labour – where a person is forced to work against their will and restricted in movement under threat or punishment and for no or very little pay
- Child labour, the worst forms of child labour – when a child is exploited for personal or commercial gain, and exposed and required to work in hazardous conditions
- Deceptive recruitment – when a person is deceived about their work and promised certain jobs, benefits or working conditions
- Bonded labour – when a person is forced to work to repay a debt, losing control over both their employment conditions and the debt. The worker is required to pay excessive recruitment fees and identity documents are retained by the offender

Textiles and manufacturing industries and sectors with a high number of temporary or migrant workers such as cleaning, security, transport and logistics were identified as the operations presenting the most elevated and salient risk of modern slavery. Accordingly, we have tailored and enhanced our Ethical Sourcing Program with priorities and efforts focussed on these areas.

More specifically, tier one private brand suppliers have been the primary focus for this reporting period. Myer currently engages almost 350 private brand textile and manufacturing suppliers in over 400 factories across

17 sourcing countries including Australia, Bangladesh, China, India, Indonesia, Pakistan, Sri Lanka, Thailand, Turkey and Vietnam. These suppliers were identified as of greater risk given the product is manufactured directly for Myer, which provides Myer increased leverage and influence to identify and remediate non-conformances.

DUE DILIGENCE

Our risk-based due diligence process assesses all new private brand suppliers prior to onboarding or awarding a contract, as well as suppliers seeking renewal. Private brand suppliers are required to provide a valid third party ethical audit report for each factory that will manufacture private brand products. Suppliers considered extreme risk as rated against Myer's country risk profiling require an audit every 12 months and high risk suppliers every two years. Private brand suppliers are responsible for engaging directly with an independent third party social compliance auditor to carry out the audit. We recognise the operational and financial impacts to suppliers of this process, particularly where the factory supplies to multiple businesses, and therefore offer mutual recognition of audits.

During the reporting period, 411 factory ethical audits were reviewed across 274 tier one private brand suppliers. Our review identified no zero tolerance issues and 73 high risk issues, which primarily related to excessive overtime hours and the need for safety improvements. Corrective action plans have been put into place across each of these suppliers

and we will continue to support them to ensure their practices improve.

Other due diligence and monitoring measures include ongoing review of modern slavery risk indicators through supplier questionnaires, on site visits, and feedback or concerns raised through our grievance mechanisms.

Our expectations of suppliers' management of ethical sourcing, which includes modern slavery, human rights and workplace conditions, forms part of our contractual relationship. A reminder communication reinforcing our requirements under the Myer Ethical Sourcing Policy was distributed to all private brand suppliers, brand partners and service providers such as cleaning, transportation, procurement, facilities and security. Suppliers were reminded of their responsibility to ensure that workplace practices remain ethical, to ensure they have processes in place to identify and prevent potential modern slavery risks and impacts, to develop corrective actions to eliminate or mitigate these risks within their supply chain, and to ensure both the supplier and workers are aware of our whistleblower program.

As approximately 80% of our private brand supplier base is in China, this communication, alongside our Ethical Sourcing and Whistleblower policies were translated and provided in both Chinese and English.

Further, Procurement service providers are required to answer a prequalification questionnaire and provide internal policies and procedures or independent site audit reports. Service providers that are identified as presenting a risk through the due diligence process may be required to conduct further assessments and agree to continuous monitoring.

OUR POLICIES

Our Ethical Sourcing Policy provides the overarching framework for which the protection of human rights within our supply chain is founded. The policy is based on the internationally recognised standards outlined by the Ethical Trade Initiative (ETI), and explains a variety of key labour indicators such as wages and benefits, working hours and discrimination, and further outlines our zero tolerance stance on forced and child labour, bribery, as well as requiring

suppliers to consider and minimise impacts on the environment. The policy continues to be communicated to both merchandise and service suppliers and stakeholders to ensure expectations are met.

Together with the Ethical Sourcing Policy, we have a strong suite of supporting policies and procedures that articulate our values, ways of working and expectations of our team and suppliers. These policies include the Code of Conduct, Procurement Policy, Diversity and Inclusion Policy, Team Member Complaints Standard and Whistleblower Policy.

Further, supplier contracts for both merchandise and procurement suppliers have been strengthened by embedding modern slavery specific provisions to the contract precedents. Similarly, our trading term agreement reinforces requirements for suppliers to adhere to Myer's Ethical Sourcing Policy. To date, all new active suppliers have agreed to Myer's Ethical Sourcing Policy.

EMPLOYEE TRAINING

Training and awareness is a key control in addressing the risk of modern slavery. We recognise the need to build the capability of our employees, particularly our merchandise and procurement team members who are our frontline in identifying potential red flags of modern slavery and human rights violation and the actions required to respond appropriately.

We engaged an external law firm to provide the executive management team with an overview of modern slavery, the legislative requirements, relevance to our industry and actions for assessing and addressing risks.

Modern slavery awareness training was delivered to all employees including those in stores, as well as in our merchandise, procurement, legal and human resources teams. This training was an extension of existing ethical sourcing training provided to the business with emphasis on building capacity and understanding of sourcing risks and key responsibilities amongst employees.

The modern slavery awareness training materials included an internal video and written communication discussing salient human rights risks globally, with a link on the impacts of COVID-19 on vulnerable

communities. This training sought to better prepare employees as to common human rights risks for consideration when engaging with suppliers, and helping them better understand, identify and report incidents.

GRIEVANCE PROCESS

We recognise the importance of providing a voice to all workers including those who are direct employees, contractors and suppliers. Accordingly, we have established reporting procedures and mechanisms where employees and suppliers can report concerns regarding unethical or illegal conduct, including possible modern slavery and human rights issues. This mechanism is independently operated and allows for anonymity. All reports pertaining to a breach of law, regulation or policy are taken seriously and are assessed and investigated accordingly.

Where issues are investigated and substantiated, we will take appropriate action, including involving external agencies where necessary for an example local government. In all instances however, we will seek to understand and prioritise the needs of the victim and ensure an appropriate remedy is provided.

No incidents of modern slavery or exploitation have been reported to date.

COLLABORATION

We acknowledge the importance of working alongside other retailers and non-government organisations to share information and best practice with regards to modern slavery compliance and the protection of human rights. Throughout the year, we participated in a variety of discussion and working groups to share knowledge and best practice in mitigating modern slavery risks.

MEASURING EFFECTIVENESS

WE ACKNOWLEDGE THE IMPORTANCE OF ASSESSING THE EFFECTIVENESS OF OUR ACTIONS TO MANAGE AND MITIGATE RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN.

We continue to work to understand and track the effectiveness of our actions and performance through internal and external mechanisms. Our progress against our roadmap which outline the key initiatives is monitored by the Assurance team and reported to the Board.

For this reporting period, we have assessed the effectiveness of our actions against the following activities:

ACTIVITY	MEASUREMENT
Governance	<ul style="list-style-type: none">Requirements of Modern Slavery Act outlined to the BoardBoard has oversight of the ethical sourcing frameworkReviewed and revised policy and proceduresExecutive trainingStandard contract templates updatedReporting and progress provided to Audit, Finance and Risk Committee and Board
Participation	<ul style="list-style-type: none">Executive management and senior leadership engagedAcceptance of Myer contractual terms, specifically to comply with all Myer policies and standardsAll new and recontacted suppliers have agreed to the Myer Ethical Sourcing Policy and Whistleblower PolicyConsent from private brand suppliers to access factory sitesEngaged with industry stakeholders and peers – our risk management approach is validated against a broad network of stakeholders and external organisations, including other retailers, valued suppliers, investors, non-government organisations and human rights global benchmarking tools. In collaborating with a variety of external experts, our modern slavery approach was validated
Risk Management	<ul style="list-style-type: none">Annual risk review and assessment to identify and validate risksRisk profiling and rating matrix refinedEngaged high risk suppliers, private brand and procurement suppliers. No concerns or issues were raisedEmployee training
Monitoring	<ul style="list-style-type: none">Third party audits – findings from audits completed, including the number of corrective action plans or those considered to be high-risk or require immediate attention are used to establish potential indicators of modern slavery. Monitoring and benchmarking of suppliers assists to understand the extent our Ethical Sourcing Program is effectiveCorrective action plans – 73 high risk issues were identified, most relating to excessive working hours. Detailed corrective action plans in place to address findings. We continue to work with suppliers to ensure that actions are implemented in a timely manner and are sustainable. We will terminate contractual arrangements where the supplier shows an unwillingness to remediate non-conformances identifiedSite visits – supplier and factory onsite visits allows us to review processes and validate audit results and corrective action plansWorker voices and engagement – no reported incidents of modern slavery or modern slavery like practices
Training	<ul style="list-style-type: none">Employee modern slavery awareness training – recognition of global modern slavery risks and indicators for consideration when engaging with suppliers with a focus on protecting the rights of workersEmployee ethical sourcing training – targeted training outlining our ethical sourcing practices and processes for employees who interact with suppliers particularly in merchandise and procurement who are able to identify potential red flagsEmployee Code of Conduct training
Grievance mechanism	<ul style="list-style-type: none">Workers voices are heard through our confidential and anonymous Whistleblower hotline and assessed on the number of issues raised. No reports of modern slavery or modern slavery indicators have so far been received through this mechanism

CONSULTATION

All Entities reporting into Myer Holdings Limited operate under a common and consistent governance framework to build expectations, raise awareness and approach in assessing and addressing modern slavery risks in our operations and supply chain. All brands share the same executive management team and have contributed to the framework and assisted in the drafting of this Statement.

MODERN SLAVERY ACT REPORTING CRITERIA

CRITERIA	RELEVANT SECTION IN STATEMENT
Identify the reporting entity	Introduction
Describe the structure, operations and supply chains of the reporting entity	Our Business
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Our modern slavery risks and remediation
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 modern slavery risks and remediation
Describe how the reporting entity assess the effectiveness of such actions	Measuring Effectiveness
Describe the process of consultation with any entities that the reporting entity owns or controls	Consultation
Provide any other information that the reporting entity, or the entity giving the statement, considers relevant	Roadmap, COVID-19

This Statement was approved by the Myer Holdings Limited Board


John King
Managing Director and Chief Executive Officer



MODERN SLAVERY STATEMENT 2020