



# Ethical Sourcing Policy

Myer Holdings Limited  
(ACN 119 085 602)

Company

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## 1. Introduction

Myer is committed to integrating ethical and socially responsible business practices into its operations, and in doing so, meeting the expectations of its valued stakeholders.

This Ethical Sourcing Policy (**Policy**) embraces the principles of the Ethical Trade Initiative (ETI) and internationally accepted labour standards of the International Labor Organisation (ILO). Myer expects its suppliers share and demonstrate the same commitment to ethical sourcing practices as set out in this Policy, and that they have management systems in place to achieve and maintain compliance with this Policy within their supply chain and operations.

Suppliers must, across all operations, recognise the human rights of its workers, and treat them with dignity and respect as understood by international community standards.

This Policy applies to all suppliers and their supply chain, regardless of where the supplier operates, and is complemented with a compliance audit program principally for the supply of private label products in countries assessed to be high risk, and a compliance audit program and a supplier due diligence questionnaire focussed on human rights protection and processes.

Myer takes a risk based approach to supply chain management. We prioritise our focus and efforts where there is a higher risk and likelihood of severe human rights or labour rights violation occurring. We also look for opportunities where we may have greater influence to drive change within our supply chains. The complex nature of our supply chain makes it impractical for us to directly monitor compliance of every supplier in our extended supply chain. However, we understand our responsibilities to ensure the welfare and safety of workers in our operations and supply chain. As such, we require our suppliers to adhere to the standards outlined in this Policy, integrate the principles in the Policy to their own supply chains, and address risks of breach of human rights throughout their supply chains.

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## 2. Our Expectations

This Policy outlines the minimum ethical standards with which suppliers must comply. Suppliers must implement and maintain management systems to ensure compliance with this Policy and to ensure that effective systems and controls are in place to safeguard against any form of human rights abuse within its business operations and supply chain.

In complying with this Policy, Myer expects its suppliers to:

- commit to complying with the minimum ethical standards outlined in the Policy with regard to employment practices and environmental compliance;
- uphold human rights and ethical practices throughout its supply chain and operations;
- implement monitoring systems to assess ethical sourcing compliance, with a focus and commitment to continual improvement;
- communicate and extend the requirements of this Policy to its own suppliers including sub-contractors and other third parties (where reasonably practicable);
- fully co-operate with internal or external audit process conducted by or on behalf of Myer; and
- ensure that corrective action is taken as a priority to rectify any breach of this Policy.

Myer will monitor compliance with this Policy through its Ethical Sourcing Program (Program). The Program encourages collaboration and compliance, prioritising engagement with private label suppliers via an audit program. Myer will continue to work with suppliers who demonstrate continual improvement in ethical sourcing practices and encourages suppliers to be open and transparent about sourcing challenges so that practical remediation can be developed. Where there is a breach of this Policy, Myer will work with the supplier to remediate the issue and implement corrective actions or improvement plans.

Myer adopts a risk-based approach to matters of human rights or environment abuse, and such issues must be addressed in a timely manner to Myer's satisfaction to achieve compliance with this Policy and applicable laws. Any unwillingness or inability to comply with this Policy, repeated non-compliance with this Policy, or unsatisfactory corrective action, may lead to review of Myer's relationship with the Supplier, including termination of business activities.

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### **3. Ethical Standards**

Myer requires all suppliers to comply with the ethical standards in this Policy, and all applicable laws and regulations regarding business integrity, labour and human rights, bribery and corruption, health, safety and the environment. Suppliers must comply with the legal requirements of the countries in which they operate. Where there is a conflict between the ethical standard and local, national or international laws, the requirement that affords the greater protection to workers or the environment will apply.

Suppliers must ensure appropriate documentation, evidence, processes, and systems are in place and continually developed to ensure effective ethical management practices. Suppliers must provide adequate information to their employees on their rights as outlined within this Policy.

The supplier is required to grant access to its operational sites (e.g. factories) if an independent audit is requested or a breach (or suspected breach) of this Policy requires investigation by Myer.

#### **3.1 Business ethics**

Suppliers must employ professional business ethics in all dealings and be transparent with its documentation and records. Appropriate policies must be developed and communicated to workers to ensure effective management practices of ethical issues, including in relation to the matters arising under this Policy.

##### **a) Bribery**

Suppliers must not engage or offer to engage in acts of bribery or corruption and must not falsify documents or records. Bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, whether given to obtain business or otherwise are not permitted. A zero tolerance approach applies to such activities.

##### **b) Use of subcontractors**

Any use of subcontractors, including factories, labour brokers and homeworkers for production or services must be disclosed and pre-approved by Myer. Suppliers and subcontractors must allow Myer or an independent third party auditor entry to any facility or site where work is conducted for the purposes of an inspection or audit. Suppliers must not use suppliers of raw material or subcontractors that have breached this Policy or have not been approved by Myer.

Adequate policies and processes must be in place to properly manage subcontractors to ensure they operate in accordance with applicable laws, regulations and this Policy. The subcontractor must provide a valid social compliance audit for review by Myer prior to use.

For the purposes of this Policy, subcontracting means engagement by a supplier of additional suppliers to provide services or produce product in its final form (or significantly contribute to the final form of the product) to be supplied to Myer.

### **c) Business licence**

Suppliers including factories must hold a valid business licence which includes a permit to operate and manufacture at the producing factory. Only workers with a legal right to work are to be employed or used.

## **3.2 Employment is freely chosen**

Suppliers must not use forced, bonded (including debt bondage) or involuntary labour, slavery, human trafficking or prison labour. This includes not harbouring or recruiting persons using threat, force, coercion, abduction or fraud. All work must be voluntary, and workers must not be unreasonably restricted in movement, including the right to leave the workplace after their shift or terminate their employment on reasonable notice. Workers must not be forced to incur debt through recruitment fees, fines or lodgement of "deposits". or surrender identity papers with their employer or recruiter, as a condition of employment.

## **3.3 Freedom of association and the right to collective bargaining are respected**

Suppliers must recognise and respect worker rights of free association, including the decision to join or form any union of their choice (without the need to seek prior approval from management). Suppliers must also allow workers to bargain collectively without the fear of reprisal, harassment, discrimination, intimidation or penalty. Suppliers shall maintain an open attitude towards the activities of trade unions and their organisation activities and must not discriminate against or penalise any worker (or their representative) because of their membership or affiliation with a trade union.

Where the right to freedom of association and collective bargaining is restricted under local and national laws, suppliers will facilitate and not hinder the development of alternative means of independent and free association and bargaining.

## **3.4 Working conditions are safe and hygienic**

Suppliers must provide workers with a safe and hygienic working environment and ensure exposure to potential hazards, including chemical and biological agents, are mitigated and controlled. Adequate steps must be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Suppliers must also ensure that all work premises, including supplier buildings, manufacturing sites and accommodation provided to workers, are structurally safe, and the Supplier holds all applicable licences and approvals to operate the site.

Suppliers are responsible for ensuring emergency evacuation processes are established and regularly practiced, with trained supervisors designated to locations through the facility to ensure the safe, orderly and timely evacuation of workers. All firefighting equipment (such as fire extinguishers and/or fire hoses) must be regularly inspected and maintained to the required standards. All workers must have easy and safe access to emergency exits and stairways, which should be clearly marked, unlocked and free of obstructions. Clear safety warning signs, in local language of the workers, is to be displayed on relevant equipment and hazardous or toxic substances or objects. Emergency plans must communicate to workers their right to remove themselves from imminent danger without first seeking permission.

Personal Protection Equipment (PPE) suitable for each task must be available for workers, at no cost to workers, including protective eye wear and footwear, hearing protection, gloves, masks, hard hats and insulated clothing.

Suppliers will provide workers with access to clean toilet and washing facilities, clean and drinkable water, keep workplace at a comfortable temperature and, if appropriate, have sanitary food preparation, storage and eating facilities. Where accommodation is provided to workers, it shall be clean, safe and meet the basic needs of the workers.

Suppliers shall provide workers with appropriate and regular workplace health and safety information and training, including fire training, emergency management plans and processes, safe handling of hazardous chemicals, workplace and production safety, and correct use of PPE and first aid equipment. In addition, workers should be encouraged to raise health and safety concerns and be empowered to refuse to work in unsafe conditions.

A senior management member is to be assigned responsibility for health and safety.

### **3.5 Child labour shall not be used**

Suppliers must not recruit or use child labour at any level of the supply chain. A zero tolerance approach to child labour will be enforced.

Child labour, as defined by the ILO is work that deprives children of their childhood, interferes with the child's education, or work that is harmful to the physical, social and mental development of the child.

Suppliers must be able to verify the age of all workers to ensure no child labour is used. The ILO provides that the minimum working age should not be less than the age for completing compulsory schooling, and in any case, not less than 15 years of age. If child labour is found in a supplier's supply chain, whether working for the supplier directly or indirectly, the best interests of the child must be prioritised in any remediation process, action or solution.

Youth labour (i.e. those under 18 years of age) must not be permitted to perform work that is likely to expose, or does expose, them to health and safety risks, and be employed at night or in hazardous conditions. Work must not interfere with the worker's education or be harmful to their mental, social or moral development.

### **3.6 Wages and benefits**

Wages and benefits paid for a standard working week must meet, as a minimum, any applicable national laws, regulations or industry benchmark standards, whichever is the higher. Wages must be paid in accordance with local and national laws and regulations and in a timely manner, including overtime, which must be compensated at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure is not permitted, nor shall any deductions from wages not provided for by national or local law be permitted without the express permission of the worker concerned.

All disciplinary measures and actions taken against a worker are to be recorded.

All workers must be provided with written and understandable information about their employment conditions in relation to wages before they enter employment, and about the particulars of their wages for the pay period concerned each time they are paid.

Record keeping on wages paid must be accurate, complete and transparent at all times.

### **3.7 Working hours are not excessive**

Working hours are not to exceed the maximum set by law, collective agreements and industry standards or benchmarks. Working hours, excluding overtime, shall be defined by contract, and must not exceed 48 hours per working week.

Total working hours shall not exceed 60 hours per seven-day week, including overtime, except in extraordinary business circumstances, including but not limited to, unexpected production peaks or accidents or emergencies (here permitted by national or local law, and where appropriate safeguards are put into place to protect workers).

All overtime must be at a premium rate, be voluntary, and used responsibly, taking into consideration the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment.

Workers must be allowed at least one day off every seven days or where allowed by national or local laws, two days off in every 14 days. Suppliers shall respect workers' rights to breaks during work shifts and comply with national or local laws for worker entitlements to public holidays or annual leave.

Record keeping on hours worked must be accurate, complete and transparent at all times.

### **3.8 No discrimination is practised**

Suppliers shall not discriminate against any worker based on their age, race, religion, caste, gender, national origin, disability, pregnancy, marital status, sexual orientation, ethnicity, union membership or political affiliation at any time, including in hiring, within the workplace, and during other employment practices such as promotions, rewards, terminations, retirement and access to training.

Suppliers are to promote a culture of equality, diversity and actively support programs that look to ensure a diverse worker base and empowerment of women in the workforce.

### **3.9 Regular employment is provided**

Suppliers must not use illegal labour. Suppliers must be able to verify the legal entitlement of their employees to work in the country of employment.

To the extent possible, work performed must be based on a recognised employment relationship (ie worker contract) established through national laws and practice.

Obligations to employees under labour and social security laws or arising as a result of the regular employment relationship, shall not be avoided through the use of labour-only contracting, subcontracting, home-working arrangements, apprenticeship schemes where there is no real intent to impart skills or provide regular employment, or the excessive use of fixed-term contracts of employment.

Suppliers must provide each worker with a clear, understandable labour contract containing all legally required employment terms, entitlements and conditions.

Migrant workers shall have the same entitlements as local workers as stipulated by national or local law. Any commissions and other fees in connection with employment of migrant workers must be covered by the employer. The employer must not require the worker to surrender identification documents. Workers employed through a third party agent or contractors are the responsibility of the supplier, and must comply with this Policy.

### **3.10 No harsh or inhumane treatment is allowed**

Suppliers are prohibited from engaging in the use of harsh or inhumane treatment of workers, such as the threat of or actual physical/verbal abuse or discipline, sexual or other harassment, corporal punishment, mental or physical coercion, or other forms of intimidation. Disciplinary policies and procedures must be clearly defined and communicated to all workers.

### **3.11 Respect the environment**

Suppliers must conduct business in a manner which proactively embraces sustainability and reduces environmental impacts resulting from their facilities and operations. In doing so, suppliers must comply with local, national and applicable international laws and regulations in relation to environmental management. Suppliers must have a policy outlining their approach to managing environmental impacts within their control and maintain procedures for notifying local authorities in the event of an accident or incident which may adversely affect the environment as a result of their operations.

Suppliers shall optimise their consumption of energy and water and effectively manage and dispose of hazardous material, contamination and waste, reduce greenhouse gas emissions and avoid undue or unnecessary packaging and materials. Suppliers must not use harmful materials, dyes, substances or chemicals that create, or could result in, unacceptable risk to health or the environment (in production, use or disposal).

Suppliers must comply with environmental laws affecting the sourcing of materials and processes used to manufacture products. Suppliers must identify key environmental impacts of facilities and ensure compliance with performance standards such as:

- ensure safe handling, movement, storage, recycling, reuse and disposal of hazardous materials, chemicals and substances, and ensure that emergency response plans are in place;
- waste of all types, including water and energy, shall be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials;
- effective controls of waste in respect of ground, air and water pollution shall be adopted. Air emissions, wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterised, monitored, controlled and treated as required prior to discharge or disposal;
- unnecessary use of materials, packaging and paper shall be avoided and recycled materials shall be used wherever appropriate;
- processes and activities shall be monitored and modified as necessary to ensure conservation of scarce resources, including water, flora and fauna and productive land;
- production and delivery processes shall be based on maximising efficient energy use and minimising harmful emissions;
- adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labelling for recycling and disposal; and
- work and assist Myer to select products that are environmentally beneficial at any level of the supply chain. A zero tolerance approach to child labour will be enforced.

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#### **4. Modern Slavery**

Modern slavery involves the most serious forms of human exploitation and takes many forms, including trafficking of persons, slavery, servitude, forced marriage, forced labour, human trafficking, debt bondage, deceptive recruitment for labour or services and the worst forms of child labour. Myer is committed to identifying and mitigating the risk of modern slavery, and remedying modern slavery within our business operations and supply chain if it arises.

Myer takes a risk-based approach to assess and mitigate human rights risks in our operations and supply chain and has implemented an ethical sourcing program in line with leading international practice. Myer has a zero-tolerance approach to any form of modern slavery.

Suppliers must ensure that foreign and migrant workers are engaged in compliance with immigration and labour laws of the country they operate in and must be provided a written employment agreement in local language prior to the worker departing their country or region of origin.

Suppliers must comply with modern slavery laws and regulations relevant to their Jurisdiction. Suppliers must have appropriate controls in place to minimise risks of modern slavery practices in their operations and supply chains and must not knowingly deal with third parties who engage in modern slavery practices.

Suppliers must have and maintain policies and procedures concerning modern slavery, to ensure compliance with modern slavery laws, and enforce these policies and procedures as required. This includes policies for reporting, investigating, and remediating suspected or known breaches of modern slavery laws.

Myer monitors emerging human rights issues and identifies opportunities where we can influence the actions of our suppliers to mitigate risks.

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## 5. Grievance Mechanism

Myer supports open and transparent working relationships, where concerns can be safely voiced.

Suppliers are to provide and promote appropriate channels for worker and community grievances to be raised. Suppliers must also build awareness of social and labour rights and practices and obtain worker and community feedback in relation to these issues.

Workers must be provided with an ability to raise concerns anonymously and confidentially to the supplier, without fear of retaliation, intimidation, harassment, discrimination or victimisation.

Worker grievances are to be heard, appropriately investigated, and any required remediation taken in a timely manner. Where the complainant is not anonymous, the supplier will ensure that the complainant is kept informed of the investigation and the options for escalation. Suppliers must not obstruct access to other remedies, including judicial or non-judicial remedies, or other mechanisms provided by Myer (as discussed below).

Effective remedies are to be made available for affected individuals and workers where it is identified that the supplier's operations or those within the supplier's supply chain have caused or contributed to an issue that is contrary to this Policy.

Myer recognises particular groups in the global supply chains may be disproportionately impacted. Myer is committed to respecting women's and children's rights as well as those of internal and foreign migrant workers. Myer expects the same commitment of its suppliers with these marginalised groups.

Myer provides a complimentary grievance channel communicated via its Code of Conduct that must be made available to all workers, and a whistleblower hotline service run by an independent third party for team members and suppliers to report concerns or complaints confidentially and, if desired, anonymously.

Myer does not tolerate threats, intimidation or attacks (physical or otherwise) against human rights defenders and will work with human rights defenders to create safe and enabling environments for civic engagement and human rights where appropriate.

More information can be found in Myer's Whistleblower Policy on the Myer websites.

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## 6. Remediation

Myer may identify a breach of this Policy through various channels including directly from Supplier's workers through the worker grievance mechanisms, stakeholder feedback, internally by a team member conducting due diligence, or from a third party such as a social compliance auditor, contractor, civil society organisation, trade union representative, news reporter, researcher, or a member of the community. If a breach is identified, Myer will investigate to understand and verify the aspects of the alleged breach.

All sites with non-conformances, whether minor, major or reportable breaches, are subject to ongoing monitoring.



Any remediation response will depend on the severity of harm (or potential harm) caused by the non-compliance. It may include immediate rectification or making good any harm experienced by an individual and working with a supplier to prevent future harm. Whilst Myer's preference is to support suppliers to remediate any breach, if the Supplier is uncooperative and makes little or no effort towards remediating harm or is suspected of being deliberately deceitful or withholding information, Myer will work towards a responsible exit strategy (considering human rights issues) Myer reserves the right to involve third parties such as expert organisations or relevant authorities in relation to illegal practices.

Any major breaches will be recorded and reported to the senior leadership team and included in Myer's Modern Slavery Statement.

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## **7. Breach of Policy**

Any breaches of this Policy will be treated as serious misconduct and may result in disciplinary action being taken, including termination of employment, suspension of orders or termination of contractual arrangements with a supplier.

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## **8. Policy Review**

The Board will review the Policy periodically to ensure effective operation and compliance with applicable laws and standards and assess whether any changes are necessary.