

MYER

Ethical Sourcing Policy

Myer Holdings Limited

ACN 119 085 602

1 Ethical Sourcing Policy

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 supplier due diligence questionnaire focussed on human rights protection and is complemented with a compliance audit program and a supplier due diligence questionnaire focussed on human rights protection and processes.

2 Our Expectations

This Policy outlines the minimum ethical standards 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:

- uphold human rights and ethical practices throughout its supply chain and operations;
- implement monitoring systems to assess ethical sourcing compliance, with a focus on 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 any internal or external audit process conducted by or on behalf of Myer
- 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 encourage 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 zero tolerance approach to matters of human rights or environment abuse. High risk 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

3 Ethical Standards

Myer requires all its suppliers to comply with the following ethical standards, and any associated laws and regulations in the supplier's country of operation and manufacture and international laws. Where there is a conflict between the ethical standard and local, national or international laws, the requirement that affords the greater protection will apply. All suppliers and subcontractors agree to implement and integrate this policy and applicable laws into its business

Myer has a zero tolerance approach to any form of modern slavery including slavery and slavery-like practices and conditions (such as debt bondage, servitude, forced marriage and forced labour) and human trafficking. Workers shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. 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. All factories and its location, subcontractors, labour brokers and homeworkers, particularly for private label suppliers, must be disclosed and cannot be engaged for the provision of goods and services until approved by Myer.

3.1 Business ethics

Suppliers must employ professional business ethics in all dealings and provide transparent 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.

3.1.1 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. A zero tolerance approach applies to such activities.

3.1.2 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 not refuse inspection from any Myer company or third party auditor. Suppliers must not source goods including raw materials or use subcontractors that have breached this Policy or has been deemed unsuitable 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.

3.1.3 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, workers must not be unreasonably restricted in movement (including the right to leave the workplace after their shift), and must be free to leave or terminate their employment after reasonable notice. Workers must not be permitted or encouraged to incur debt through recruitment fees or fines, or required to lodge "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 joining or forming any union of their choice (or not) 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 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 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, protective 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 policy against child labour is 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.

Young labour, those under 18 years of age, are not to perform work that is likely to or does expose them to health and safety risks, be employed at night, and cannot work in hazardous conditions. Work must not interfere with the young 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, standards, regulations or industry benchmark standards, whichever is the higher. Wages must be paid in a timely manner and overtime must be compensated at pay rates greater than regular hourly rates, and

in accordance with local laws or regulations. Deductions from wages as a disciplinary measure is not permitted, nor shall any deductions from wages not provided for by national 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 respect 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 not exceed 48 hours per 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, accidents or emergencies, where permitted by national law or 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 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

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

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

3.10 No harsh or inhumane treatment is allowed

Suppliers are prohibited from 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, applicable international and national laws and standards in relation to environmental management. Suppliers must have a policy outlining their approach to managing environmental impacts within their control.

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 or threat to health or the environment (in production, use or disposal).

Suppliers must identify key environmental impacts of facilities including the use of hazardous materials, chemicals and substances and ensuring their safe handling, storage and disposal.

4 Policy Review

The Board is responsible for reviewing and approving the Ethical Sourcing Policy at least bi-annually to ensure effectiveness and continued application and relevance to the Myer business.