



HARVEY NORMAN HOLDINGS LIMITED

MODERN SLAVERY STATEMENT

2022

Harvey Norman Holdings Limited ACN 003 237 545 is listed on the Australian Securities Exchange (ASX: HVN), (Registered Office: A1 Richmond Road, Homebush West NSW 2140).

This modern slavery statement is provided by Harvey Norman Holdings Limited (**HNHL**) and each of its material controlled entities (**Consolidated Entity**), (**Modern Slavery Statement**). A reference to HNHL, we, our or us in this Modern Slavery Statement is a reference to the Consolidated Entity.

¹ See list of material HNHL controlled entities published in the HNHL 2022 annual report, pages 148 and 149.

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Letter from our Chief Executive Officer

The Consolidated Entity supports the objectives of governments around the world (including Australia) to eradicate all forms of modern slavery and human trafficking.

The Consolidated Entity conducts business in a manner that is consistent with our corporate governance and risk management framework and requires the same level of compliance and behaviour from all suppliers, subject to all applicable laws.

This Modern Slavery Statement is the third modern slavery statement prepared and published by the Consolidated Entity for the purposes of the Modern Slavery Act (Cth) 2018 (**Modern Slavery Act**). In accordance with the Modern Slavery Act, this Modern Slavery Statement describes the actions that we have taken to address modern slavery risks in our operations and supply chains, and the effectiveness of those actions.

We recognise that modern slavery risks may have been exacerbated and any mitigation of those risks may have been compromised by the impact of COVID-19.

In 2022, we have seen some re-opening of the world following the COVID-19 pandemic and our teams have been able to re-engage with suppliers within their manufacturing facilities and observe first-hand the working conditions of workers in these manufacturing facilities.

We are pleased with the level of support we have received from our suppliers and manufacturers in the course of the actions taken by the Consolidated Entity in accordance with the Modern Slavery Act.

The Consolidated Entity will continue to work closely with suppliers and manufacturers to identify and address modern slavery risks in supply chains and business operations (including in relation to persons employed, contracted or engaged by suppliers and manufacturers).

Our supply chains continue to be affected as a result of the effects of COVID-19 (and its variants) during the reporting period. This has continued to make it difficult to implement additional audits, protocols and other modern slavery risk assessments and investigations in Financial Year 2022. That issue has eased since the end of the reporting period.

Notwithstanding the challenges posed by COVID-19 and the significant number of suppliers across the globe, the Modern Slavery Committee (a sub-committee of the HNHL board) has worked closely with management to identify modern slavery risks, develop actions to address those risks and assist the Consolidated Entity to meet its compliance and reporting requirements under the Modern Slavery Act.

The Consolidated Entity is committed to eradicating all forms of modern slavery within its operations, supply chains and business relationships, and acting ethically and with integrity and transparency in all of its business dealings and relationships.

K.L. Page



Chief Executive Officer
Sydney
23/12/2022

Our Structure, Operations and Supply Chains

FRANCHISE OPERATIONS IN AUSTRALIA

HNHL and subsidiaries of HNHL own valuable intellectual property rights, including the trade marks Harvey Norman®, Domayne® and Joyce Mayne® (**Trade Marks**).

In Australia, a subsidiary of HNHL (a franchisor) grants separate franchises to independent franchisees to use certain intellectual property, including the Trade Marks, and to conduct the retail business of the franchisee online or at or from a store within a particular branded complex, pursuant to the terms of a franchise agreement.

Each franchisee is an independent business. Each franchisee owns and controls the franchisee business of that franchisee. HNHL does not control, or have any ownership interest in, any franchisee or the franchisee business of any franchisee. Franchisees do not form part of the Consolidated Entity.

NON-FRANCHISING OPERATIONS

Non-franchising operations of the Consolidated Entity include:

Retail operations outside of Australia

- offshore company-operated retail stores trading under the Harvey Norman® brand in New Zealand, Singapore, Malaysia, Ireland, Northern Ireland, Croatia and Slovenia; and

Retail and wholesale trading in Australia

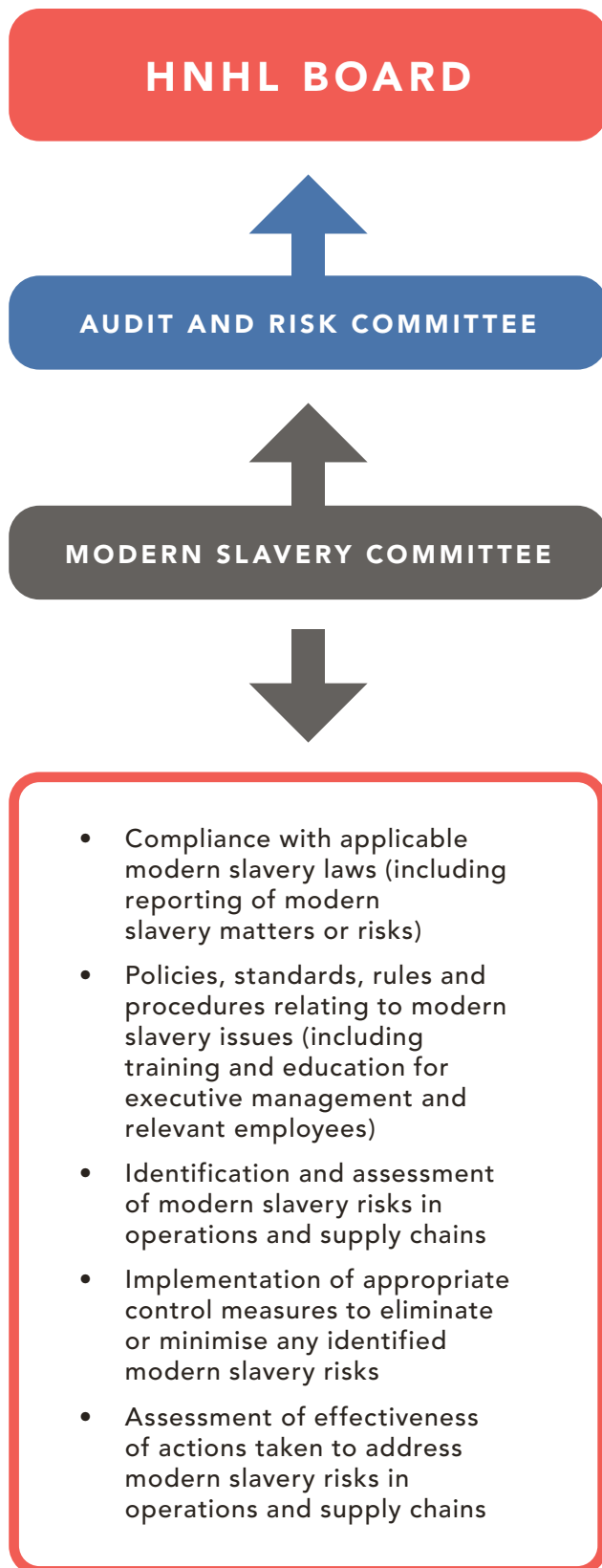
- retail and wholesale trading operations in Australia which are conducted by wholly-owned, controlled or jointly-controlled subsidiaries of HNHL.

Note: HNHL and subsidiaries of HNHL, in Australia, do not sell goods or services at or through any physical or online store under any name "Harvey Norman®", "Domayne®" or "Joyce Mayne®".



Our Corporate Governance and Risk Management Framework

MANAGEMENT FRAMEWORK



The HNHL board (**Board**) is committed to a high standard of corporate governance, and is responsible for establishing, maintaining and monitoring the corporate governance framework of HNHL.

The Board aims to foster a culture of compliance, with an emphasis on ethical behaviour, accountability, corporate and individual integrity and respect for others.

RISK MANAGEMENT FRAMEWORK

The HNHL audit and risk committee (**Audit and Risk Committee**), a committee of the Board, assists the Board in overseeing the Consolidated Entity's systems of internal control and its risk management framework, including:

- monitoring management's performance against the Consolidated Entity's risk management framework;
- receiving reports from internal audits on its reviews of the adequacy of the Consolidated Entity's processes for managing risk (including modern slavery risks);
- receiving reports from management concerning new and emerging sources or risks, including any risks of modern slavery practices in our operations and supply chains; and
- reviewing the Consolidated Entity's risk management framework at least annually to satisfy itself that the risk management framework continues to be sound and the Consolidated Entity is operating with due regard to the risk appetite of the Board and, where appropriate, making recommendations to the Board regarding any changes.

RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAINS

The risk management framework of the Consolidated Entity, in relation to modern slavery risks, includes the following elements:

- risk assessment to identify and mitigate risks of modern slavery practices;

- evaluation of modern slavery risks within sourcing processes and procurement activities;
- monitoring modern slavery risks which may arise in the employment of employees or engagement of contractors in our operations or supply chains;
- raise awareness and understanding of modern slavery risks within the operations of the Consolidated Entity through education and training to ensure that relevant teams are adequately trained to identify and report modern slavery incidents or practices; and
- actions to eliminate modern slavery risk in the businesses of the Consolidated Entity.

MODERN SLAVERY COMMITTEE

The Modern Slavery Committee (a sub-committee of the Board comprised of executive directors) has the responsibility for dealing with modern slavery risks and issues in the Consolidated Entity.

The responsibilities of the Modern Slavery Committee include:

- to manage, monitor and report on the compliance status and risks of modern slavery in operations and supply chains of the Consolidated Entity to the Audit and Risk Committee;
- to develop or approve, or both, actions to address modern slavery or the risks of modern slavery in operations and supply chains of the Consolidated Entity;
- to assist in developing policies, standards, rules and procedures relating to modern slavery, including content and format of internal reporting of modern slavery matters that are to be followed or complied with by any entity in the Consolidated Entity;
- to keep informed as to trends in the types of risks of modern slavery practices in the operation and supply chains of the Consolidated Entity to ensure that appropriate control measures are implemented to eliminate or minimise any identified risks;
- to develop a process to assist the Consolidated Entity to consider and respond to, and to comply with applicable modern slavery laws;
- to develop an internal reporting process for identifying and managing changes to operations and supply chains which may have an impact on the risk of modern slavery in those operations and supply chains;
- to ensure that regular risk assessments (including due diligence) are conducted with respect to the operations and supply chains of the Consolidated Entity by suitably qualified people, including independent experts;
- to consider, and make such recommendations to the Board directly or through the Audit and Risk Committee, as the Modern Slavery Committee sees fits, with respect to modern slavery, including any matter arising from any identified risk;
- to consider any matter of modern slavery that is referred to the Modern Slavery Committee by any person;
- to consider the reports prepared by management with respect to modern slavery; and
- to monitor and evaluate the drafting, completion and submission of each modern slavery statement as required by the Modern Slavery Act.

The Modern Slavery Committee may make recommendations to the Board directly, or to the Audit and Risk Committee, or both, to assist the Consolidated Entity to comply with applicable modern slavery laws.

OUR POLICIES

The Consolidated Entity conducts its business and engages with suppliers in a manner that complies with all applicable laws (including all relevant modern slavery laws) and is consistent with our corporate governance framework, including the following policies:

- Modern Slavery Policy;
- Code of Conduct;
- Whistleblower Policy; and
- Anti-Bribery and Corruption Policy.

The Consolidated Entity expects suppliers who engage with the Consolidated Entity to have the same level of compliance and behaviour, subject to applicable laws of the country or countries where the business is carried out.

Actions Taken to Address Modern Slavery Risks

As part of our risk management framework, Yoogalu Pty Limited (a wholly-owned subsidiary of HNHL) took the following actions during the period from 1 July 2021 to 30 June 2022 in relation to modern slavery risks:

MODERN SLAVERY COMMITTEE

- The Modern Slavery Committee (a sub-committee of the Board comprised of executive directors) continued to be responsible for dealing with modern slavery risks and issues in the Consolidated Entity.
- Operations and supply chains of each relevant Controlled Entity were reviewed during the reporting period in relation to modern slavery risks.
- Management also reviewed and identified relevant regions from which goods are sourced, including areas that are considered to involve modern slavery risks.
- The working group comprised of general managers from each relevant subsidiary and quality control managers have continued to work to collect and analyse data regarding modern slavery risks in supply chains.

EMPLOYMENT PRACTICES SURVEY

During the reporting period, an employment practices survey was issued to each relevant Controlled Entity containing questions regarding recruitment, on-boarding, ongoing employment and termination practices.

Responses to the survey have been received and assessed and the following was established or confirmed:

- each relevant Controlled Entity was able to identify the relevant local legislation that governed employment in their respective country of operation;
- each relevant Controlled Entity has a dedicated team or individual responsible for the discharge of employment related matters within their business;
- workers are provided with a written employment contract in a language they understand, where terms of employment including wage rates and hours of work are clear and original copies of identity-related

documents are not retained by the business.

- workers are free to resign from their employment without restriction or penalty;
- workers are not required to lodge any 'security deposits' (whether financial or personal property or otherwise) or pay any recruitment fees;
- there are no wage deductions, monetary fines or withheld pay or pay entitlements of workers for disciplinary reasons;
- workers receive payslips that include all relevant information in accordance with the laws and regulations of the applicable jurisdiction;
- each relevant Controlled Entity operating overseas (except New Zealand) has a published policy that defines the maximum number of hours and consecutive days that may be worked by a worker during any 7-day period;
- no Controlled Entity has been convicted for breaching any human rights regulations, including in relation to modern slavery and/or labour standards, nor had any notice served upon it, by any regulator or authority in any jurisdiction in relation to modern slavery.

Areas to manage, monitor and report on:

- responses from Controlled Entities indicated that external labour hire firms are used on occasion to fill temporary vacancies. However it appears that, generally, such external labour hire firms are not contractually required to identify and mitigate modern slavery risks when providing labour hire services.
- the awareness of mechanisms to anonymously raise concerns relating to labour conditions or workplace grievances and access appropriate remedies, including for example the Whistleblower Hotline;
- not all businesses have adequate policies and processes to identify, investigate and remedy the risk of, or instances of, modern slavery within supply chains or business operations.

Proposed follow-up:

- reviewing contracts with external labour hire firms and commencing negotiations to include a contractual provision that requires each labour hire firm to comply with all applicable modern slavery laws;
- developing a plan to communicate and raise awareness about the Whistleblower Hotline within each relevant Controlled Entity;
- each relevant Controlled Entity reviewing its policies and processes and identifying areas for improvement in relation to addressing modern slavery risks in their respective supply chains and business operations.

MODERN SLAVERY TRAINING

The Consolidated Entity has continued to develop further training modules, together with user guides to accompany the Modern Slavery Policy, to be provided to executive management and relevant employees, on an annual basis in relation to compliance with relevant modern slavery laws, including the Modern Slavery Act.

Education and training allows individuals to recognise and assess modern slavery risks and to understand when and to whom modern slavery risks should be reported. In the reporting period the Modern Slavery Training Program was implemented and made available to employees of each relevant Controlled Entity. The training program included education regarding:

- modern slavery risks and the application of relevant modern slavery laws to the operations and supply chains of each relevant Controlled Entity; and
- dealing with manufacturers and suppliers in supply chains and identifying and addressing modern slavery risks.

DUE DILIGENCE

The Consolidated Entity employs a due diligence process prior to engaging (and during engagement of) suppliers for its offshore company-operated retail stores and its retail and wholesale trading operations in Australia, which are wholly-owned, controlled or jointly controlled by subsidiaries of HNHL.

This due diligence process includes assessing the risk profile of a supplier and, where possible, opting to engage with suppliers who are well regarded for complying with ethical practices and legal requirements in relation to modern slavery risks.

During the reporting period, six (6) audits were conducted on suppliers of bathroom products to Controlled Entities. Each of these suppliers were found to have manufacturing facilities located in China.

Each of the audits reviewed a number of modern slavery risks including child labour, forced labour, freedom of association, discrimination, disciplinary practices, health and safety, working hours, wages, compensation and the environment

The Modern Slavery Committee is reviewing the results of the audits and considering improvements that could be made, particularly to health and safety practices and wage rates.

Where appropriate, a Corrective Action Plan was agreed with the supplier to be implemented in the next financial year ending 30 June 2023.

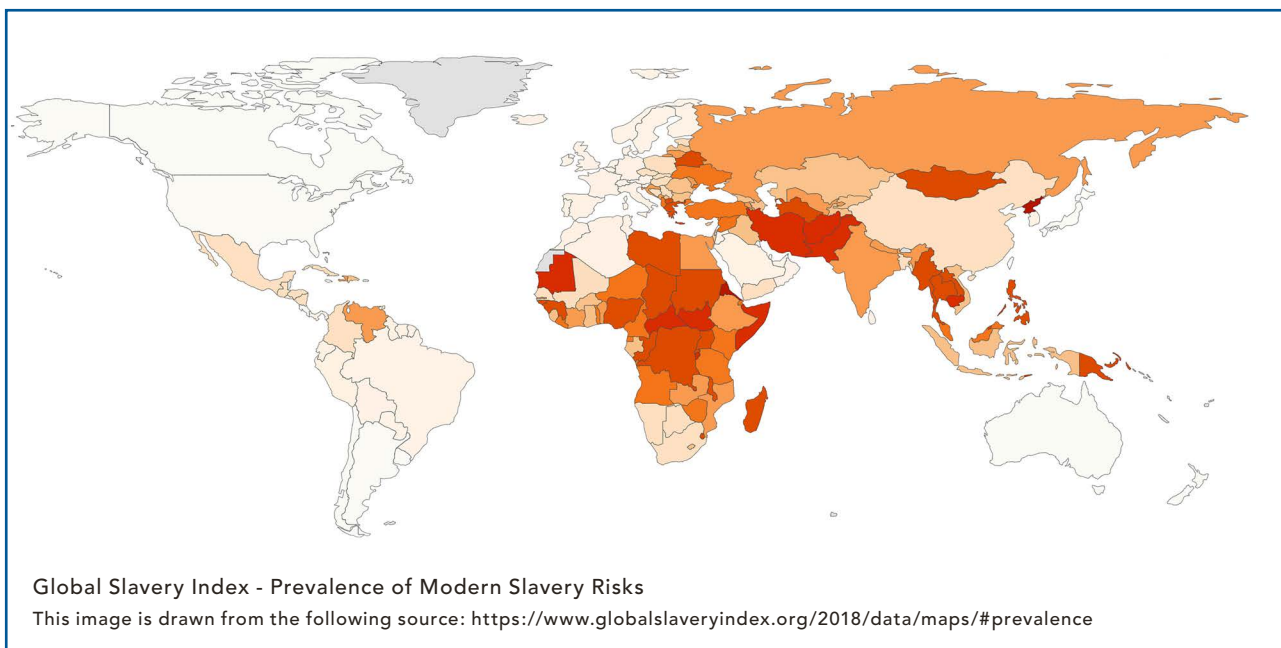
The Consolidated Entity intends to continue its review of other furniture-based supply chains in the next financial year ending 30 June 2023.

MANUFACTURING FACILITIES MAPPING

During the Reporting Period the Consolidated Entity surveyed more than 270 suppliers across all company-owned businesses to map the manufacturing, raw materials sourcing and labour sourcing locations of these suppliers.

Key finding from those surveys are set out below:

- suppliers operated manufacturing facilities in 31 countries;
- product lines manufactured by the surveyed suppliers included bedding, furniture, sports equipment, electrical goods, computers and accessories, home textiles, clothing and educational materials and advertising services;
- 59% of manufacturing facilities were located in China and the balance of manufacturing facilities were located in Australia, Vietnam, New Zealand, Thailand and other countries;
- generally, materials that were included in the manufacturing processes at the identified locations were sourced within the same country as the location of the manufacturing facility;
- labour that was employed at the identified locations typically came from the local region that the manufacturing facility was located in. On some occasions, labour was sourced from a neighbouring country.



The diagram above is sourced from the Global Slavery Index website and indicates the prevalence of modern slavery risks in different regions (<https://www.globalslaveryindex.org/2018/data/maps/#prevalence>). The darker the red colour on the chart, the higher the prevalence of modern slavery risks in that country.

Based on the above diagram, the highest risk countries for modern slavery risk include Pakistan, Afghanistan, Iran, Cambodia and North Korea (no surveyed supplier indicated they manufactured or sourced materials or labour from the continent of Africa).

Only two manufacturing facilities were identified in Pakistan and twenty five manufacturing facilities were identified in Turkey, Thailand and Malaysia which, according to the above diagram, are considered to have a moderate to high level of risk in relation to modern slavery.

SERVICE AND SUPPLIER CONTRACTS

The Consolidated Entity is continuing the process of incorporating provisions in service agreements, supply agreements and trading terms with suppliers to address modern slavery risks.

Generally the Consolidated Entity seeks to:

- obtain written confirmation from the service provider or supplier, including appropriate contract terms with the service provider or supplier, that the service provider or supplier and others in its operations or supply chains:

- will comply with all applicable modern slavery laws and minimise the risk of modern slavery arising in its business; and
- will promptly inform the Consolidated Entity of any actual or suspected breach of applicable modern slavery laws by the service provider or supplier or any person involved in its business, operations or supply chain;
- retain the right to terminate any contractual arrangement with a service provider or supplier in the event the service provider or supplier, or any service provider or supplier in any operations or supply chain of the service provider or supplier, is found to be engaging (directly or indirectly) in modern slavery; and
- engage with the service provider or supplier to help address potential modern slavery risks in the operations or supply chains of the service provider or supplier.

Where there has been resistance from certain suppliers to agree to contractual terms that require that supplier to comply with modern slavery laws (particularly when such laws do not apply in the relevant jurisdiction in which that the supplier operates), an alternative approach has been adopted whereby the supplier is contractually required to assist the relevant Controlled Entity to comply with requirements to address modern slavery risks and comply with all applicable modern slavery laws.

Management is also developing a code of conduct for all suppliers of both inventory and non-inventory products and services for possible presentation to suppliers.

REPORTING PROCESS

The Consolidated Entity has established reporting processes for persons to report any concerns regarding unethical or illegal behaviour, including but not limited to any incidents of modern slavery (Reported Incident).

Each Reported Incident will be investigated and if substantiated, or if otherwise considered appropriate, reported to the Board.

Reported Incidents referred to the Board will be reviewed by the Board to determine the

appropriate process to be undertaken to ensure compliance by the Consolidated Entity with relevant modern slavery laws. The process will include, but is not limited to, steps to resolve or remediate the matter including but not limited to, undertaking further investigations, exercising contractual rights and reporting as required to comply with legal and statutory obligations, and to promote ethical and moral behaviour. The Board may also engage external advisers, consultants or such resources as the Board considers necessary, to assist in investigations or any remediation activities.

Effectiveness of Actions Taken

The Consolidated Entity recognises the importance of measuring the effectiveness of different actions taken to assess and address modern slavery risks and compliance with relevant modern slavery laws.

For this reporting period, we have measured the effectiveness of actions taken as follows:

ACTION	MEASUREMENT OF EFFECTIVENESS
Modern Slavery Committee	The Modern Slavery Committee, together with management, have taken steps to identify and address modern slavery risks.
Due Diligence	<p>Due Diligence questionnaires were issued to suppliers in each relevant jurisdiction in which a relevant member of the Consolidated Entity operates and responses have been received.</p> <p>The Modern Slavery Committee is considering and will adopt further audit tools, strategies and protocols to improve the collection and assessment of information received from suppliers to identify and address modern slavery risks in supply chains.</p>
Modern Slavery Policy	The Consolidated Entity has a Modern Slavery Policy which provides the foundation for how we identify, assess, address, minimise and mitigate modern slavery risks. The Modern Slavery Policy is also supplemented by our other policies, protocols and procedures. The Modern Slavery Policy is reviewed annually, and suppliers and stakeholders are updated of relevant changes.
Service and Supplier Contracts	<p>The Consolidated Entity is continuing the process of incorporating provisions in service agreements, supply agreements and trading terms with suppliers to address modern slavery risks.</p> <p>This is an important step to provide members of the Consolidated Entity contractual rights to take action or terminate agreements with service providers or suppliers who are found to be engaged (directly or indirectly) in modern slavery practices.</p>
Training and Education	The Consolidated Entity provided training to executive management and relevant employees in relation to modern slavery risks. The Consolidated Entity will continue to develop and provide training and education to management and relevant teams.

Process of Consultation with Controlled Entities

In preparing this Modern Slavery Statement, HNHL engaged with:

- its controlled entities to use the due diligence questionnaires;
- HNHL compliance teams;
- executive directors of HNHL; and
- the Modern Slavery Committee,

to obtain an understanding of the modern slavery risks in key supply chains and operations, and appropriate actions taken to address and mitigate identified risks.

Continuous Improvement

This Modern Slavery Statement is the third statement prepared and published by the Consolidated Entity for the purposes of the Modern Slavery Act.

The Consolidated Entity is continuously reviewing:

- actions taken to identify and assess modern slavery risks;
- actions taken in response to any identified modern slavery risks; and
- any improvements that can be made in relation to the above.



Modern Slavery Act Reporting Criteria

MODERN SLAVERY ACT REPORTING CRITERIA	RELEVANT SECTION IN THIS MODERN SLAVERY STATEMENT
1. Identify the reporting entity	Our structure, operations and supply chains
2. Describe the structure, operations and supply chains of the reporting entity	Our structure, operations and supply chains; Our Corporate Governance and Risk Management Framework
3. Describe the risks of Modern Slavery practices in the operations and supply of the reporting entity, and any entities that the reporting entity owns or controls	Our Corporate Governance and Risk Management Framework
4. 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 Corporate Governance and Risk Management Framework; Actions taken to address modern slavery risks
5. Describe how the reporting entity assesses the effectiveness of such actions	Effectiveness of Actions Taken
6. Describe the process of consultation with any entities that the reporting entity owns or controls	Process of Consultation with Controlled Entities
7. Provide any other information that the reporting entity, or the entity giving the statement, considers relevant	Continuous Improvement

This statement was approved by the HNHL Board



per David Ackery – Director
Harvey Norman Holdings Limited
ACN 003 237 545