



# MYOB Modern Slavery Statement

FY2021



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# Introduction

This Modern Slavery Statement (**Statement**) is submitted by MYOB Australia Pty Ltd (ACN 086 760 198) on behalf of itself and MYOB Group Co Pty Ltd (ACN 630 725 825), (together, **MYOB**) in a single joint statement. In this Statement, “we”, “us”, and “our” means MYOB and their owned or controlled entities (**MYOB Group**).

This Statement is prepared in accordance with the Modern Slavery Act 2018 (Cth) (**Act**). This Statement outlines the steps that we have taken to identify, manage and minimise the risk of modern slavery in our operations and supply chain for the period 1 January 2021 to 31 December 2021 (**Reporting Period**). The Annexure to this Statement summarises MYOB Group’s compliance with each of the reporting criteria required by the Act.

MYOB Group is committed to helping businesses in Australia and New Zealand start, survive and succeed. We provide business management solutions and technology to businesses of every type and size. These customers drive our world. We believe in them. Given our values, we have an important role to play in fostering ethical business practices that help address modern slavery and protect human rights. We are committed to improving our systems and practices to identify and address modern slavery risks across our operations and supply chain.



# MYOB’s structure, operations, acquisitions and supply chain

## Our structure and operations

MYOB Australia Pty Ltd is headquartered in Melbourne, Australia and is the Australian operating entity for the MYOB Group. Our registered office is Unit 301, 168 Cremorne Street, Cremorne VIC 3121. The registered office for MYOB Group Co Pty Ltd, which is the holding company for the MYOB Group, is Suite 1, Level 11, 66 Goulburn Street, Sydney NSW 2000.

The MYOB Group carries on business in Australia and New Zealand through various subsidiaries in those jurisdictions. MYOB Group is a provider of accounting and business management solutions in Australia and New Zealand.

### MYOB Group’s operations are divided into three divisions:

- SME Solutions: providing accounting, tax, payroll and other business management software to small and medium enterprises;
- Financial Services: providing payments solutions to MYOB and third party customers; and
- Enterprise Solutions: providing enterprise resource planning and human resources management software to enterprises.

MYOB Group’s companies all operate in the same industry sector.

As at 31 December 2021, our workforce comprised 1,901 employees across Australia and New Zealand performing the following types of roles:

### % of Employees by Function and Country as at 31 Dec 2021

Function	AU	NZ	Total
Employee Experience	3%	2%	5%
Group Services	4%	0%	4%
Product	7%	1%	8%
Sales & Support	40%	17%	57%
Technology	20%	6%	26%
<b>Grand Total</b>	<b>74%</b>	<b>26%</b>	<b>100%</b>

Of MYOB Group’s employees, 1766 (93%) are employed full time and 135 (7%) are employed part time. This includes permanent and fixed-term MYOB Group employees. Approximately 630 employees in Australia are subject to Industrial Awards, including the Clerks - Private Sector Award 2010, the Graphic Arts, Printing and Publishing Award 2010, and the Professional Employees Award 2010.

## Our acquisitions during the Reporting Period

During the Reporting Period, MYOB wholly acquired Greatsoft Pty Ltd, Axsys IT Pty Ltd, Exoebs QLD Pty Ltd and Star Business Solutions (Aust) Pty Ltd (together **Acquired Entities**). MYOB also acquired a minority interest in Butn Limited. These entities all operate in the same industries as MYOB, as described above. None of the Acquired Entities are reporting entities for the purposes of the Act.

As part of the integration of the Acquired Entities, MYOB Group considered whether to continue the relationships with suppliers, including negotiating new terms or moving the supplier onto MYOB's standard supplier agreements. After acquisition, employees of Acquired Entities became subject to the same policies and procedures as other MYOB Group employees, which are further outlined below. The suppliers of the Acquired Entities were largely in the same industries as the suppliers of MYOB Group.

## Our supply chain

As a technology business, MYOB Group's key spend categories are:

Categories	Description
Third party professional services	Professional services providing services such as project management, software engineers, product specialists, accounting, financial and legal services.
IT software solutions	IT software, cloud platform services and computer systems.
IT hardware and maintenance	IT hardware used by our employees.
Outsourcing services	Contact centre support services in South Africa.
Marketing	Advertising and marketing services and products.
Facilities	Office operations such as leasing, cleaning, security and repairs and maintenance, and office consumables across our 12 offices.

The geographic footprint of our direct suppliers includes (but is not limited to) Australia, North America, East Asia, European Union, Eastern Europe, and Southern Africa. We appreciate that these suppliers also have their own, often global, supply chains that form part of our broader supply chain.

# Modern slavery risks in MYOB Group's operations and supply chain

MYOB Group's approach to assessing modern slavery risks in relation to its operations and supply chains and those of its owned or controlled entities has been informed by the United Nations Guiding Principles on Business and Human Rights.

## Risks in our operations

The risk that our operations have caused, contributed or been linked to modern slavery is low. This is because:

- The domestic operations of participants in the Australian technology industry are considered to be a lower risk industry for modern slavery.
- MYOB Group comply with Australian and New Zealand employment laws which regulate the recruitment and remuneration for our direct workforce.
- MYOB Group have Human Resources specialists located in both countries who support us with employment law compliance.
- Employees are free to join any union or association.
- As a technology company, most of the MYOB Group workforce are tertiary educated professionals.
- We have Group-wide policies in place to ensure compliance with local labour, health, safety and employment laws. The policies outline the standard of behaviour we expect of our employees, working conditions they are entitled to, and how to report any issues or concerns. Key policies include:
  - Equal Employment Opportunity Policy
  - Professional Conduct & Ethics Policy
  - Whistleblower Policy
  - Health, Safety & Wellness Policy
  - Disciplinary Policy
  - Grievance Policy

Employees can access these policies from our intranet. The policies are also given to new employees. Key policies are supported by compulsory employee training.

## Risks in our supply chain

In assessing MYOB Group's supply chain, we considered sector and industry risks, product and services risks, and geographic risks. We targeted our supplier due diligence based on spend and industry and revised our scope to suppliers who were not assessed during the previous reporting period. This process included the suppliers of the Acquired Entities. Our approach to due diligence is detailed in this Statement under the heading "Actions taken".

**The following procurement categories relevant to our business may carry an inherently higher risk of modern slavery:**

- IT and telecommunications (hardware and software)
- Outsourcing (contact centre)
- Marketing and events (including merchandise and catering)
- Facilities (including cleaning, security and repairs and maintenance, and office consumables)
- Other office expenses (courier services and business travel)

**The increased risk profile of these categories can be due to a combination of factors such as:**

- The prevalence of subcontracting arrangements leading to decreased supply chain transparency
- Labour intensive work coupled with low barriers to entry
- Workers from vulnerable backgrounds including migrant workers
- Operations in countries with higher risks for modern slavery

From our modern slavery assessment, we ascertained that during the Reporting Period the majority of our suppliers are technology companies domiciled in Australia or the United States of America. As noted, the technology industry in Australia and the United States (within which our largest suppliers by spend operate) have lower risks of modern slavery in their direct operations. However, their supply chains, like most businesses, carry a higher risk by virtue of raw material extraction, component manufacturing, assembly and logistics. Workers in these supply chains are often low-skill or migrant workers working in countries with a higher prevalence of modern slavery, making them more vulnerable to modern slavery practices.

The risk that our business has caused or contributed to modern slavery in our supply chain is low. However, like most - if not all similar entities operating in our sector - there is inherent risk that our business is linked to modern slavery via our suppliers and their respective supply chains.

## Actions taken

During the Reporting Period, MYOB Group took steps to improve and strengthen our risk management process. We adopted a pragmatic risk-based approach with a focus on continuous improvement to assess and address modern slavery risks within our operations and supply chain. Some of MYOB Group's actions were impacted by the effects of COVID-19 and mandatory lockdowns. A summary of our actions is set out below.

## Impact of COVID-19

During the Reporting Period, due to effects of COVID-19, MYOB Group's employees, suppliers and customers had to adapt to changes as a result of COVID-19 lockdowns and changes in working practices.

The COVID-19 pandemic has made employees of small business particularly vulnerable to modern slavery as small business can be more susceptible to cashflow issues. Of MYOB Group's procurement spend, 24.4% is paid to small business suppliers. MYOB Group has adopted processes to ensure it pays its suppliers in a timely manner and reports its results to the regulator under the Payment Times Reporting Scheme. During the second half of the Reporting Period, MYOB Group paid 98% of invoices within 30 days.

Prior to and during the Reporting Period, MYOB took a number of other steps to manage the impacts of the COVID-19 pandemic on our staff, suppliers and customers, including:

- 1) Adopting recommendations from relevant authorities including the Australian Government and World Health Organisation to ensure the safety of our personnel, customers and suppliers;
- 2) Providing payment plans to customers who required more time to pay invoices to MYOB Group;
- 3) Planning for continued customer delivery with some key suppliers to ensure we could maintain business continuity for our customers;
- 4) Enabled our employees to work safely and securely, predominately in a remote working environment, and provided wellbeing resources to assist them;
- 5) Adapting and continuing to run the MYOB DevelopHer Program to support training and certification of women in technology to address the underrepresentation of women in Australian STEM; and
- 6) Providing resources to our customers through the MYOB Small Business Reports, including reporting on government business assistance measures and grants to assist our customers manage cashflow and entitlements for their workforces.

## Modern Slavery Questionnaire

As part of our ongoing due diligence, we issued a modern slavery questionnaire to a subset of our suppliers based on annual spend and provision of goods or services from the procurement categories listed on page 5. We issued the questionnaire to a number of suppliers that were not assessed in the previous reporting period and lowered the minimum annual spend threshold for suppliers to be sent the questionnaire. The questionnaire requested information on suppliers' approach to assessing and addressing modern slavery risks.

The process provided insight into our direct suppliers' capability to assess modern slavery risks in their operations and supply chains. MYOB revised the questionnaire provided to suppliers and has conducted more analytics to understand trends across its supply chain. We also reviewed the supporting information provided by suppliers which included codes of conduct, modern slavery statements and ethics statements or policies to assess their approach to modern slavery. MYOB has not been made aware of any allegations of modern slavery activities against any of its suppliers that provided goods or services during the Reporting Period.

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## Supplier Code of Conduct

We continued to roll out our Supplier Code of Conduct (**Code**) to new suppliers. Our Code sets out our minimum expectations and requirements in areas such as modern slavery, human rights, labour, environment, health and safety and anti-bribery and corruption for suppliers providing goods and services to MYOB. This Code is published on our [website](#).

We will review and update the Code periodically to ensure it aligns with our business' priorities and stakeholders' expectations.

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## Updated Policies

During the Reporting Period, MYOB reviewed a number of its internal policies. As a result of that review, MYOB included provisions relating to modern slavery into its Equal Employment Opportunity Policy, Grievance Policy, Health Safety and Wellness Policy, and Whistleblower Policy. These updates provide clear pathways for our employees to ensure they understand how to raise and manage any identified or potential modern slavery issues affecting MYOB or its suppliers.

## Centralised contract management system

In 2021, MYOB implemented a Contract Lifecycle Management (CLM) system, which will centralise the processing and storage of all MYOB's supplier contracts. When fully operational, the system will facilitate the source to contract stages of all MYOB agreements, assisting contract owners with best practice procurement methods. We had intended to incorporate modern slavery considerations in our supplier procurement flow within the CLM system during this Reporting Period, however due to delays in the implementation process, we are anticipating that this will be operational in the next reporting period.

MYOB implemented fields into the CLM to store vendor records and information reviewed as part of the procurement process. The CLM system allows for suppliers to be categorised by procurement category (which align with the modern slavery categories used in MYOB's modern slavery assessments), the supplier's modern slavery risk rating as assessed by MYOB, and other key details.

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## Standard contractual terms

We have reviewed our template services agreement and drafted modern slavery clauses for inclusion into new contracts with new suppliers, and contracts that are up for renewal. These standard contractual terms include the requirement for suppliers to comply with our Code and to notify MYOB of any identified instances of modern slavery in their operations or supply chain.

For suppliers who will not agree to our Code and are themselves reporting entities for the purposes of Act, MYOB has included alternative obligations for suppliers to comply with the Act and warrant any statements made by those reporting entities are true and correct. MYOB also reviews those supplier's own codes of conduct as part of the procurement process.

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## Employees

### Remuneration

On an annual basis, MYOB Group analyses market conditions and MYOB Groups's position relative to the market for remuneration. We engage an external remuneration specialist and participate annually in a market remuneration review. Remuneration adjustments are generally made annually based on this review. In addition, we ensure we are compliant with relevant Industrial Awards. MYOB Group conducted these reviews during the Reporting Period.

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### Working Rights

During the recruitment process, all prospective MYOB Group employees are required to provide evidence of working rights. Human Resources also check that those we recruit are of legal working age. MYOB Group confirms that this occurred during the Reporting Period.

## Learning

MYOB Group provides online learning modules to employees. We provided modules on whistleblowing and modern slavery to selected groups of employees. During the Reporting Period, we delivered Whistleblowing training to the legal and human resources teams and employees that were considered as eligible recipients under MYOB Group's whistleblower policy. Modern slavery training was delivered to employees who have high involvement with the business' procurement process including senior leadership, legal, compliance, procurement and workplace experience teams.

The modules will be updated as required and MYOB Group monitors and ensures that identified employees conduct the learning annually.

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## Remediation process

We have the following mechanisms in place for our employees and third parties (suppliers and contractors) to report suspected or actual improper conduct:

- 1) **Whistleblower Policy:** Sets out the processes and protections for employees and third parties to raise concerns (including anonymously) about alleged misconduct, including improper conduct relating to modern slavery.
- 2) **Supplier Code of Conduct:** The Code provides a mechanism for suppliers to contact MYOB's Whistleblower Protection Officer if they have any concerns. When a supplier does not meet our requirements, corrective action plans will be established and monitored for progress. We will terminate the relationship with suppliers that repeatedly and knowingly violate our Code.

We are committed to providing for, or co-operating in, remediation in the event that our business is found to have caused or contributed to modern slavery impacts.

# Assessing the effectiveness of our actions

MYOB acknowledges that industry risk is only one of the factors in assessing overall supplier risk. However, as we continue to enhance our procurement, due diligence and governance processes, we expect to expand our supply chain assessment year on year. We expect that our continuous improvement approach will enable MYOB Group to embed effective measures responsive to risks. We have set out below how MYOB tracked against its FY20 goals.

In the previous reporting period, MYOB Group’s modern slavery working group developed key performance indicators (**KPIs**) to measure the quantitative impacts of our actions. That assessment is contained below.

## FY20 Goals and KPIs

During the 1 January 2020 – 31 December 2020 reporting period, MYOB set a number of KPIs to quantitatively assess its supplier risk. We have assessed these KPIs for the Reporting Period.

KPI	Assessment for FY21
Number of suppliers issued a modern slavery questionnaire as part of our supplier due diligence process	<p>MYOB Group increased the number of suppliers who were issued a modern slavery questionnaire by 10% on the total number of questionnaires issued for FY20 reporting period.</p> <p>In summary, 18% of the in-scope suppliers (based on procurement risk category and spend) were subject to due diligence in the Reporting Period. A further 16% of the in-scope suppliers had already been issued a modern slavery questionnaire in FY20 and therefore were not subject to due diligence during this Reporting Period.</p>
Number of suppliers that received our Code	The Code is made available on MYOB’s website and was issued to all key suppliers who were part of the questionnaire due diligence process.
Number of suppliers that agree to our Code	83% of respondents to the supplier due diligence process agreed to the Code. The suppliers who did not agree to our Code were large multinational or listed companies, which provided MYOB copies of their own codes of conduct.
Target completion rate for employees completing modern slavery training	Over 98% of MYOB Group employees who were identified as participants for modern slavery training completed the training during the Reporting Period.
The proportion or number of complaints resolved by a grievance mechanism in relation to modern slavery risks	MYOB Group had no complaints made in relation to modern slavery risks during the Reporting Period.

As well as assessing against its KPIs, MYOB Group set the following goals during the FY20 reporting period to be actioned in the FY21 Reporting Period

Goal	Assessment for FY21
Expanding our scope of supplier due diligence	MYOB Group has increased the number of suppliers which were subject to due diligence in FY21 by approximately 10 per cent compared the number of questionnaires issued in FY20. We also reduced the monetary threshold for identified high risk categories to be included in due diligence activities.
Improving our procurement process through implementing modern slavery considerations within the new CLM system	We included specific modern slavery categories into our new CLM to class suppliers based on their modern slavery risk profile. This will continue to evolve as MYOB Group expands the features with both its e-sourcing and process improvements in the CLM system.
Delivering modern slavery training to wider segments of employees	MYOB Group focused on delivering training to the employees with relevant responsibilities which may be impacted by modern slavery. On that basis, we didn't include any additional categories of personnel into training between FY20 and the Reporting Period.
Continue to update standard contract terms to include obligations regarding modern slavery. This will apply to new contracts and existing contracts that are up for renewal	MYOB Group has assessed template documents in its contracting suite and amended those to include modern slavery obligations where appropriate based on the category of supplier and value of the goods or services supplied.
Further assessing and adjusting our KPIs to monitor, measure and improve the effectiveness of our actions	MYOB Group has assessed the KPIs and elected to maintain the existing KPIs for the next reporting period.



## Our next steps

For the reporting period ending 31 December 2022, MYOB Group will focus on:

- 1) Reviewing the scope of its internal training to consider whether there is sufficient training of personnel or whether additional categories of personnel should be included;
- 2) Reviewing and updating its internal policies to address content related to modern slavery (where required);
- 3) Assessing how to extend past first tier procurement with key suppliers during the next few reporting periods;
- 4) Finalising the implementation of the modern slavery aspects within the new CLM system; and
- 5) Further assessing and adjusting our KPIs to monitor, measure and improve the effectiveness of our actions.

The process of consultation in preparing this Statement, as between the reporting entities, involved consultation with the Executive Management of each entity (including human resources, finance, legal and risk which support the whole MYOB Group) and consideration of other MYOB Group entities which are controlled by or related to the Reporting Entities. The content of this Statement was tabled for review with the Chief Executive Officer and with the MYOB Group Modern Slavery Steering Committee.

This is a joint statement made by MYOB Australia Pty Ltd and MYOB Group Co Pty Ltd and has been approved by the Board of each reporting entity on 20 May 2022.



**Greg Ellis**

Director of MYOB Group Co Pty Ltd and MYOB Australia Pty Ltd

## Annexure - Reporting criteria

<b>Reporting criteria</b>	<b>Pages</b>
1 & 2. Identify the reporting entity and describe its structure, operations and supply chains	3 - 5
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	6 - 7
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	8 - 12
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	13 - 14
6. Describe the process of consultation with any entities the reporting entity owns or controls	15

