

MICHAEL HILL
INTERNATIONAL LIMITED

SUSTAINABILITY
REPORT
2024



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TERMINOLOGY: In this report, unless otherwise specified or appropriate in the context, the term “Company” refers to Michael Hill International Limited, the term “Group” or “Michael Hill Group” refer to the Company and its subsidiaries (as appropriate), and the use of “Michael Hill”, “Bevilles”, “TenSevenSeven” and “Medley” is reference to the relevant brand within the Michael Hill Group.

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INTRODUCTION



EXECUTIVE COMMENTARY

REFLECTING ON THE PAST YEAR, I AM INCREDIBLY PROUD OF THE IMMENSE CHANGE WE HAVE BEEN ABLE TO MAKE IN OUR BUSINESS FROM A SUSTAINABILITY PERSPECTIVE IN SUCH A SHORT TIME. SINCE OUR LAST SUSTAINABILITY REPORT, WE HAVE BEEN RECOGNISED FOR OUR SUSTAINABILITY INITIATIVES ACROSS AUSTRALIA, NEW ZEALAND AND CANADA, WITH PRAISE OF OUR SUSTAINABILITY STANDARDS AND EFFORTS IN BOTH THE RETAIL AND JEWELLERY INDUSTRIES.

I am particularly proud of the launch of The Michael Hill Foundation, dedicated towards empowering women and restoring nature. This initiative demonstrates our deep commitment to empowering the lives of women in need, as well as recognising the impact our industry has on the planet through a strong restoration program in our countries of operation. Our team are incredibly engaged with the program, and we look forward to achieving our ambitious goals.

Our focus on innovation has also not gone unnoticed, with the expansion of our gold recycling program re:cycle from Australia, to now also cover Canada and New Zealand. This program is now offered in all markets for the Michael Hill brand and continues to save carbon emissions and mining ore through trading broken or old gold jewellery from our customers' homes, then repurposing the alloy to be crafted into something new – a true circularity program in our industry.

I am also pleased to report our progress in achieving Net-Zero scope 1 and 2 emissions by 2025, having calculated our Scope 1 and 2 emissions for FY23 and FY24. By the end of this financial year, we achieved a 34 per cent reduction in scope 1 and 2 emissions across the Group since the same time last year.

As a Group, our brands continue to offer both natural diamond and lab grown diamond (**LGD**) products to our customers, and we continue to stay at the forefront of global changes in standards for both products to maintain our leadership position. From the Responsible Jewellery Council (**RJC**)'s draft LGD standard forming part of a wider *Code of Practices* uplift, to the Kimberley Process and World Diamond Council's potentially expanded definition of conflict diamonds, we monitor ongoing developments closely.

Sustainability is now embedded into our core business and practices, and while there is still a lot of work to do, we are all committed to achieving our 2030 goals and remain focussed on ever improving and moving our business and the broader jewellery industry towards a more sustainable, innovative, and responsible future.

A handwritten signature in black ink, appearing to read 'Daniel Bracken'. The signature is fluid and cursive.

Daniel Bracken
CEO and Managing Director

The jeweller
that cares.



GROUP APPROACH TO STRATEGY

Our strategic framework for sustainability remains our focus and is embedded into our business operations. We continue to progress how we source and manufacture our products, impact our planet and improve people's lives. Through a clear governance framework with a cross functional approach, we regularly update and work with the Board on progress towards achieving our goals and seeking endorsement where required.

Our 2030 strategy was originally set only for the Michael Hill brand. However, acquiring Bevilles has made us reconsider our approach and we are working towards applying our 2030 goals across each of our brands – Michael Hill, Bevilles, Medley and TenSevenSeven. While Medley and TenSevenSeven already have sustainability embedded in their brand DNA, we have further work to do for the Bevilles brand and plan to bring them on the journey in FY25 for the areas relevant to their business.

Given our operation as a Group, several of our sustainability goals will be more relevant to individual brands than others. However, our new commitment is that our overarching sustainability model and topline goals will be apply across our portfolio of brands, focussing on the way we do business and product sourcing.



OUR PILLARS

Our 2030 goals are outlined below:

PRODUCT

100% OF OUR PRODUCTS WILL BE SUSTAINABLE, RESPONSIBLE OR CIRCULAR

TRANSPARENCY

100% use of certified sustainable or responsibly sourced natural diamonds, coloured gemstones and cultured pearls [by 2030]

METAL STEWARDSHIP

100% of Michael Hill's products will be made from certified recycled, local, artisanal or responsibly sourced metals [by 2025]

INNOVATION

We will pioneer an innovation hub to champion and integrate jewellery circularity, product innovation and lab grown diamonds [by 2024]

PLANET

WE WILL NURTURE NATURE AND REDUCE OUR NEGATIVE IMPACTS TO NET ZERO

ZERO CARBON OPERATIONS

Achieve net zero carbon operations (scopes 1 & 2) [by 2025]

NATURE POSITIVE

Contributing to the restoration and conservation of the natural environment in our key markets [by 2025]

ELIMINATE WASTE

We will send zero waste to landfill and eliminate single use plastic from our packaging [by 2027]

PEOPLE

WE WILL IMPROVE THE LIVES OF PEOPLE ACROSS OUR VALUE CHAIN

RESPONSIBLE SUPPLIERS

100% of all suppliers meet our expectations on their social and environmental impacts [by 2030]

EMPOWERING WOMEN

Deliver initiatives and develop partnerships focused on empowering and supporting over 100,000 women [by 2030]

GREAT PLACE TO WORK

Michael Hill will maintain a leading workforce engagement score of greater than 80%

OVERALL GOAL PROGRESSION

GROWTH OVER THE YEAR

Here is a snapshot of our progress over the past year across our three key sustainability pillars and 2030 goals:

68%
OF OUR SPEND WITH VENDORS IS ASSESSED THROUGH OUR MODERN SLAVERY PLATFORM

MICHAEL HILL ACHIEVED
98%
CONFLICT FREE GOLD

WORKFORCE ENGAGEMENT
SCORE OF
80%

34% REDUCTION IN SCOPE 1 AND 2 EMISSIONS ACROSS THE GROUP SINCE THE SAME TIME LAST YEAR

ANNOUNCED TARGET TO EMPOWER
100,000
WOMEN

100% **CONFLICT FREE DIAMONDS** ACROSS MICHAEL HILL, MEDLEY AND TENSEVENSEVEN

SAVED
64,423
KILOGRAMS
OF CARBON EMISSIONS THROUGH OUR RE:CYCLE PROGRAM

ANNOUNCED GOAL TO
1 MILLION
PLANT TREES

FIRST
APCO REPORT AND ACTION PLAN
SUBMITTED

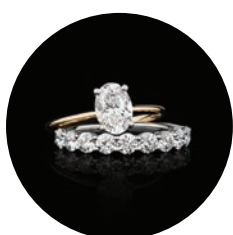
HIGHLIGHTS FOR FY24



AUGUST 2023

BEVILLES STORES ON RENEWABLE ENERGY

Following the acquisition, Bevilles stores were incorporated into existing renewable energy agreements.



OCTOBER 2023

DIAMOND TRADE UP PROGRAM LAUNCHED

Re:imagine, our circular diamond trade up program is launched in New Zealand



JANUARY 2024

RECYCLING OUR PRODUCTION WASTE

The Group agreed terms for a new product circularity arrangement under which we have returned 5 kilos of gold from manufacturing scrap to the gold supply chain.



MARCH 2024

CUSTOMER CIRCULARITY IS EXPANDED

We expanded re:cycle, our gold recycling service to both Canada and New Zealand markets.



JUNE 2024

APCO ACTION PLAN PUBLISHED

Michael Hill publishes its 2024 Action Plan for sustainable packaging.

SEPTEMBER 2023

CONFLICT FREE GOLD ANNOUNCED

98% of all gold products for Michael Hill were crafted in certified Conflict Free Gold, with Medley and TenSevenSeven achieving 100%



NOVEMBER 2023

CONTINUED TRANSITION TO RENEWABLES

Our head office, repairs centre and NZ head office energy is successfully transitioned to supporting 100% renewable energy – heading towards Net Zero scope 2 emissions.



FEBRUARY 2024

THE MICHAEL HILL FOUNDATION LAUNCHED

Aimed at Empowering Women and Restoring nature across the markets in which we operate.



MAY 2024

FIRST CANADIAN MODERN SLAVERY STATEMENT LODGED

To prevent and reduce the risk of forced/child labour in our supply chain.



THE MICHAEL HILL
FOUNDATION



LAUNCHING THE MICHAEL HILL FOUNDATION

In February 2024, we proudly launched The Michael Hill Foundation which represents our ongoing commitment to meaningful change, and our dedication to a better world. The Michael Hill Foundation has two key philanthropic focus areas: Empowering Women, aimed to support disadvantaged women in the markets in which Michael Hill operates, and Nature Restoration which ensures a positive contribution towards the restoration and conservation of the natural environment. Through continual initiatives and key charity partnerships, we are dedicated to empowering the lives of women and conserving and restoring nature in our localities, working towards our sustainability targets for 2030.

The Michael Hill Foundation forms part of the Michael Hill Group and is dedicated to charitable giving. The Michael Hill Foundation is not a registered charity, and does not accept public donations. Instead, a portion of Michael Hill's sale proceeds are directed to The Michael Hill Foundation, through which we support our charity partners and their important projects. These partners, projects and product sale proceeds have been carefully selected under Michael Hill's Sustainability Strategy.

OUR 2 KEY AREAS OF FOCUS:

EMPOWERING WOMEN

Through the Empowering Women initiative, we are dedicated to driving positive change for disadvantaged women within our communities and have donated over \$350,000 to this cause since 2021.

Through the Michael Hill Foundation, AU\$20 from each pair of our cultured freshwater pearl studs, and AU\$50 from our diamond Serendipity necklace is attributed to The Michael Hill Foundation and donated towards various women's charities. In this financial year, we have continued our existing partnerships with **Dress for Success** in Australia and **Women's Refuge** in New Zealand, and launched a new partnership with **The Period Purse** in Canada, to support women in need.

We are also working with the **Collective Good Foundation** to empower women in the arid rural village of Danta, North Gujarat, India. Women and girls in this area face challenges including limited avenues for skilled work and work outside the home; lack of financial support for higher education; and a greater burden of domestic and care work. Our partnership has four key focus areas to improve women's lives in Danta: providing access to agriculture schemes and water security, food security through home gardening, menstrual education and support, and hygienic toilet refurbishments.

We have chosen to support women and girls in Danta in the state of Gujarat - a key diamond region intrinsically linked to the jewellery industry and our business. Rosy Blue Foundation, the registered charity organisation of one of our key jewellery product suppliers in India, is helping to coordinate this work on the ground. In this financial year, we have worked closely with the Collective Good Foundation to meaningfully consider the most beneficial long-term impacts that our contributions and projects can have on local communities.

NATURE RESTORATION

Planting trees is the simplest, yet most critical initiative that aids in improving air quality, sequestering carbon, preventing soil erosion, and providing biodiverse habitats. Through our partnership, we can give back to the environment, create a healthier climate, protect biodiversity and help global reforestation efforts.

For every LAB. Collection piece sold in Australia, New Zealand and Canada, Michael Hill has committed to planting up to 10 trees with **One Tree Planted** with the aim to plant one million trees throughout Australia, New Zealand and Canada by 2030. One Tree Planted is capable of supporting this goal through their projects which include aiding forest fire recovery in Canada, engaging First Nations communities in Australia, and restoring natural habitats in New Zealand.

The range of lab grown diamonds at Michael Hill that support this initiative are certified sustainable and climate neutral. By purchasing our most sustainable product, our customers can help us give back even more to the planet which provides our business, industry and value chain communities with so much.

“Through the Foundation, we have established an ongoing commitment to supporting and empowering women and restoring and conserving one of the world's most precious resources - nature. These initiatives are close to our hearts, and ones which we know our customers and communities care deeply about.”

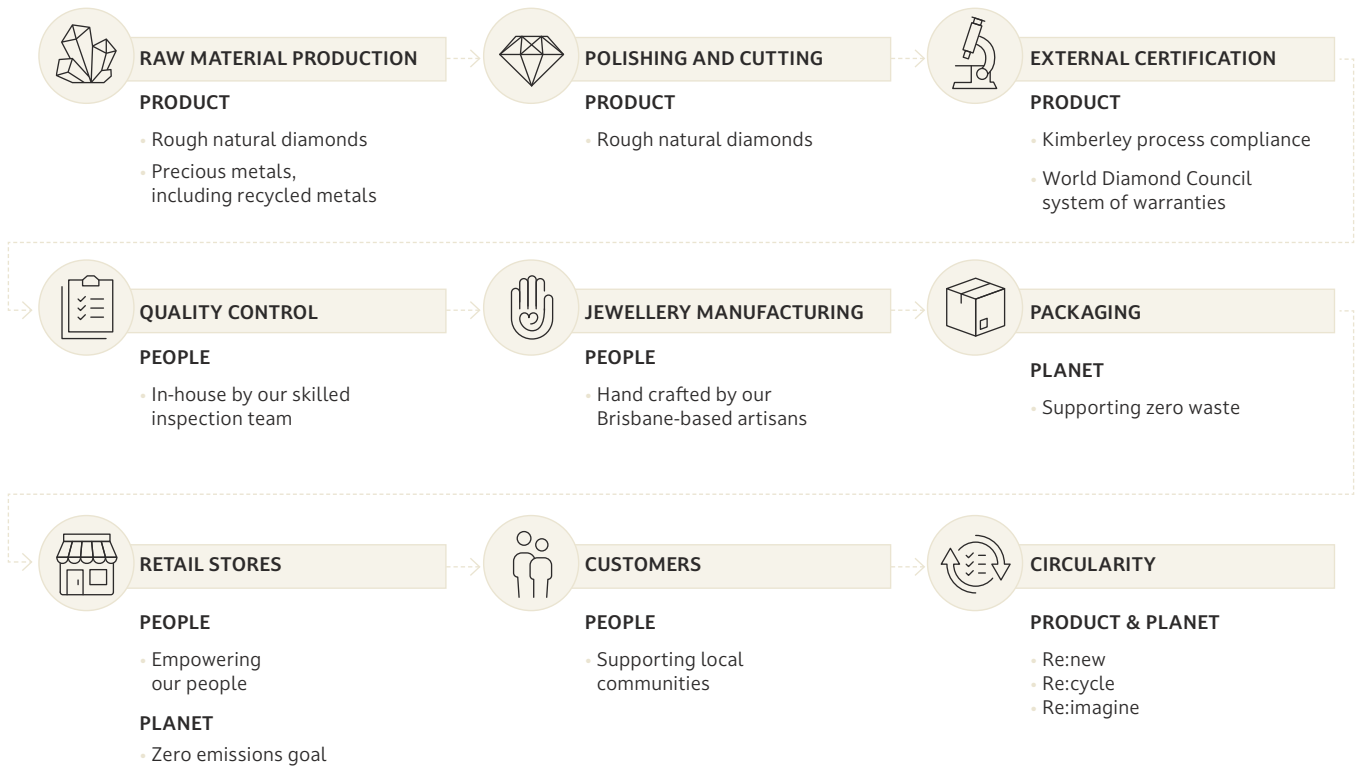
DANIEL BRACKEN, CEO AND MANAGING DIRECTOR, MICHAEL HILL GROUP

Since the launch of the Michael Hill Foundation during this financial year, we have been able to:

- Plant 51,981 trees across Australia, New Zealand and Canada
- Donate over \$48,000 to Collective Good Foundation to kick start projects to empower local women

OUR GROUP VALUE CHAIN

VALUE CHAIN FOR OUR NATURAL DIAMOND SOLITAIRE RINGS, MADE IN AUSTRALIA



VALUE CHAIN GOVERNANCE AND STANDARDS

The Group has continued to address its material sustainability issues and improve its sustainable business practices. The Group manages material exposure to contemporary and emerging Environmental Social Governance (ESG) risks in accordance with its risk management framework, incorporating Board-approved risk tolerances.

The Group uses governance tools including the *Code of Business Ethics and Code of Conduct for Suppliers* and the Sustainability Steering Committee. We have also maintained our accreditation under the RJC's Code of Practices standard, with a mid-term review completed in FY24.

CODE OF BUSINESS ETHICS AND CODE OF CONDUCT FOR SUPPLIERS

All Group suppliers are required to comply with our *Code of Business Ethics and Code of Conduct (Code)*. The Code is reviewed and updated on an annual basis to ensure it remains fit for purpose and appropriate to mitigate risks throughout our value chain.

In FY24, we uplifted the Code to ensure application throughout the Group, beyond the Michael Hill brand. This aligned with the expansion of our Sustainability Strategy from Michael Hill to the Group more broadly.

We also acknowledged the risks presented in procuring precious metals and stones for our jewellery products by formalising our expectations for suppliers. It is now clear that we expect suppliers, where appropriate, to adhere to the *OECD Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain*, amongst other things.

We also uplifted the Code's provisions around human rights and modern slavery, with a particular focus on responsible recruitment and responsible employment.

Another area of focus was packaging, given the Group's ability to influence the secondary and tertiary packaging that enters our supply chain. Our suppliers are expected to use environmentally friendly packaging wherever possible, increase the recyclability of packaging supplied to the Group, and reduce or eliminate use of plastics within their own packaging supply chain.

INTERNAL GOVERNANCE

Sustainability is a core pillar of the Group's broader corporate strategy. For this reason, the Group's Sustainability Steering Committee comprises a diverse cross-section of our business with representatives from Finance, Human Resources, Marketing, Merchandising, Legal, Compliance and Risk, including the CEO and 3 other members of the Group Executive.

By meeting on a quarterly basis, the Steering Committee ensures the Group is accountable for making progress towards its committed goals. The Steering Committee reports to the Board at least twice a year, to update on target achievements and results and receive strategic endorsement for future strategic initiatives.

EXTERNAL STANDARDS

The Group draws on a plethora of recognised standards to promote trust and transparency throughout its value chain. For our jewellery materials, the Michael Hill, Medley and TenSevenSeven brands rely on the Kimberley Process to ensure all natural diamonds are conflict free, and the SCS-007 Diamonds Standard to ensure all lab grown diamonds are sustainably produced.

Through a formalised system of written warranties, these brands are also confident that all precious metals are responsibly sourced in accordance with the relevant *OECD Guidance*. Lastly, we uphold strong modern slavery standards in compliance with local laws which we disclose on an annual basis across our jurisdictions.

RESPONSIBLE JEWELLERY COUNCIL

The Responsible Jewellery Council (**RJC**) is the jewellery and watch industry's leading standard setting organisation. Members are required to demonstrate compliance with rigorous codes of practices covering all aspects of the business from sourcing and procurement to manufacturing and sale of jewellery, with a key focus on human rights.

Michael Hill is proud to continue its long standing RJC membership, with our recertification to 2025 being a major milestone in our sustainability journey achieved this financial year. This demonstrates our commitment to responsible jewellery and to promoting trust and transparency in our supply chains.

As we closely monitor ongoing developments with the RJC and the broader global impacts on the jewellery industry supply chains, we continue to endorse the RJC's *Code of Practices* as the benchmark for our business.

As part of our 2023 mid-term audit, our brands made provenance claims relating to conflict free gold and certified recycled precious metals. These RJC-approved claims reflect our dedication to social and environmental responsibility. We plan to make further provenance claims

for certification by RJC across our house of brands in the coming years. In support of our sustainability strategy, we anticipate these provenance claims will relate to responsible sourcing and chain of custody.



INDUSTRY CHANGE AND COLLABORATION

At Michael Hill, we are continually striving to advocate for change within our industry through sharing our goals, setting high standards and maintaining high expectations for our suppliers and business operations. The industry faces complex issues due to its long and complex supply chain – something which will not be changed easily or quickly.

Multiple stakeholders are engaged throughout our supply chain to provide confidence and assurance over sourcing practices for materials to ensure sourcing practices comply with our sustainability strategy. We capture and analyse the source of our precious metals and gemstones through collaboration with our suppliers, and recognise the variety of sources and varied locations, each presenting unique risks and differing production methods.

Some suppliers have the knowledge and capacity to meet these demands and may even be further ahead on their journey than the Group, however others have limited knowledge and capacity. For the latter, we continue to work closely to share information and guidance on how those suppliers can improve their practices and align with our high expectations.

We have continued to become a more active member of the jewellery community this year, through championing and promoting innovative, sustainable products and introducing new circular services for our customers, whilst working with partners, suppliers and other participants in the jewellery industry. Our challenge is still to use our voice to advocate for industry change relating to sustainability through industry relationships, memberships, and the products we sell to our customers. However, we continue to work hard to advocate for change, set expectations and deliver throughout our entire supply chain.

DIAMOND INDUSTRY CHANGES

GROWTH OF LAB GROWN DIAMONDS

We acknowledge that FY24 has been challenging for the wholesale natural diamond industry, as the global supply of lab grown diamonds increased from 1.4 million carats in 2018 to an estimated 15.9 million carats in 2024⁽¹⁾. This was driven by increasing demand for lab grown diamonds which now represent more than 10% of the value of the world's diamond jewellery⁽²⁾.

As a Group, each of our brands continue to offer both natural diamond products and lab grown diamond products to our customers. While the importance of the four Cs (Carat, Colour, Clarity and Cut) are fundamental for our customers when selecting a diamond product, we also believe in offering a fifth C: Choice between natural and lab grown diamonds.

In addition, as customers become increasingly aware of the various ways in which lab grown diamonds are produced, Michael Hill, TenSevenSeven and Medley have committed to only offer certified sustainable lab grown diamonds to customers. This certification is provided under the widely-recognised international SCS-007 Jewellery Sustainability Standard Series – Sustainability Rated Diamond standard from SCS Global Services.

As these brands are now accredited retailers of SCS-007 certified sustainable lab grown diamonds, we are proud to offer customers a sustainable choice when considering a natural diamond or lab grown diamond for their precious jewellery product.

DEFINITION OF CONFLICT FREE DIAMONDS

Our Michael Hill, Medley and TenSevenSeven brands rely on the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties to ensure we do not knowingly buy or sell conflict diamonds.

During this financial year, the definition of conflict diamonds has attracted interest, given global events that have taken place in key diamond producing countries over the past few years. We acknowledge that Kimberley Process Participants convened during this period to discuss whether the definition of 'conflict diamonds' remains fit for purpose.

Under the Kimberley Process, conflict diamonds are defined as 'rough diamonds used by rebel movements or their allies to finance armed conflicts aimed at undermining legitimate governments.' We understand that, during the most recent Participant meeting, there was a broad alignment to expand the definition beyond rebel activity and comprehensively include armed groups/actors in the expanded definition.

The Group supports these views of Kimberley Process Participants. We acknowledge the importance of excluding armed groups, including non-state armed groups or public or private security forces (in alignment with the OECD and the United Nations Office of the High Commissioner on Human Rights' definitions of conflict), from exploiting the rough diamond industry to finance conflict. We continue to monitor communications from the Kimberley Process and the World Diamond Council on this issue and support an expanded definition of conflict diamonds.

PRECIOUS METAL INDUSTRY CHANGES

Recycled precious metal has been a growth area for the Group this financial year, with the RJC certifying a recycled metal provenance claim for both Medley and TenSevenSeven and Michael Hill launching its collaboration range with INXS, crafted in recycled silver.

As a longstanding RJC member, we are monitoring the RJC's consultation to update its Chain of Custody standard, which was announced this financial year. Amongst other things, the consultation seeks stakeholder feedback on the definitions of recycled and reclaimed gold.

We also note the use of reprocessed and repurposed gold in the jewellery industry.

Leading industry bodies have considered this issue, including the RJC. The RJC has proposed distinguishing post-consumer material from pre-consumer material. This is because pre-consumer material is not necessarily diverted from the waste stream and describing this material as 'recycled' gold could be misleading.

We understand that majority of the world's recycled gold volumes derive from post-consumer material, such as old jewellery or electronic waste. For that reason, we do not anticipate the jewellery supply chain being significantly impacted, should pre- and post-consumer gold be distinguished within standards including the RJC's *Code of Practices*. We are also aware of the heightened risk of treating pre-consumer material as recycled, given issues surrounding traceability and the inherent fungibility of gold.

The Group welcomes industry clarification on these approaches to recycled precious metals, given the industry's responsibility to divert gold from waste, and the Group continues to monitor industry change on this topic.

(1) Paul Zimmisky, "What a Mature Lab-Grown Diamond Jewelry Market Could Look Like," 2022.

(2) Edahn Golan, "The Case for Shifting Product Mix Away from LGD and Back to Natural Diamonds," 2024.



PRODUCT

100% OF OUR PRODUCTS WILL BE
SUSTAINABLE, RESPONSIBLE OR CIRCULAR

PRODUCT PILLAR

TRANSPARENCY

COLOURED GEMSTONES

As we have previously reported, the coloured gemstone industry has faced a lack of innovation and traceability for coloured gems and pearls, with the majority originating from artisanal and small-scale miners. This, combined with the limited guidance and inherent risk associated with the industry's sourcing practices, compared to the diamond and precious metal industry, makes it difficult to provide customers with true product provenance.

Despite the limited guidance available within the jewellery industry, Michael Hill maintains a risk matrix which assesses all coloured stones and pearls based on country of origin in accordance with the Global Slavery Index. This tool provides valuable intelligence to our sourcing teams about product and sourcing locations and informs their purchasing decisions based on potential risk of sourcing from conflict-affected or high-risk areas. The team actively utilises this matrix when sourcing and developing coloured stone jewellery ranges.

We rely on the RJC's prescribed standards, such as the *Code of Practices*, to help us carry out the necessary due diligence on our supply chain. We recognise that the challenges relating to coloured gemstones and pearls sourcing cannot be solved overnight. However, using a risk-based approach, together with the inclusion of specific questions relating to labour standards on Michael Hill's supplier transparency platform, we hope to better understand each product's gemstones and their provenance. With traceability, we will be better placed to assess the risk of our suppliers.

While Michael Hill has focused on carrying coloured gemstones that have some traceability, Michael Hill and Bevilles have also committed to offering lab grown coloured gemstones. The inherent transparency of lab grown coloured gemstones helps to mitigate the identified risk. We actively encourage the development of industry standards for natural coloured gemstone sourcing and traceability so we can transparently offer our customers responsibly sourced coloured gemstones.



CONFLICT FREE NATURAL DIAMONDS

We remain committed to offering only conflict-free diamonds from legitimate sources in our jewellery. In accordance with our obligations under the RJC *Code of Practices* standard, we do not knowingly buy or sell conflict diamonds within our Michael Hill, Medley and TenSevenSeven brands.

Our compliance system requires each of our diamond suppliers to provide a written warranty that the diamonds supplied are conflict free in accordance with the Kimberley Process Certification Scheme (KPCS) minimum requirements and recommendations, and the World Diamond Council System of Warranties. This system applies to our procurement of loose diamonds and those set in jewellery products.

Internal staff training and our supplier *Code of Business Ethics and Code of Conduct* help to communicate our conflict-free diamond standards throughout the business.

For FY25, the Group will work towards embedding this compliance system throughout Bevilles' jewellery value chain.

By offering both mined and lab grown diamonds, our customers have the power of choice while respecting the environment and local communities impacted by diamond mining practices. Our goal is to continue encouraging our industry to improve traceability within the diamond industry while welcoming innovative developments within the industry to maximise our customers' budget and style preferences.

PRODUCT PILLAR

PATH OF PROVENANCE

We continue to monitor provenance improvements as we purchase volumes of natural diamonds, noting the standards for sustainable natural diamonds that are emerging, and natural diamonds with full traceability are becoming more readily available. Proving provenance for bulk diamond parcels remains a challenge for purchasers.

While we continue to explore options for offering traceability to our customers, Michael Hill offers the De Beers Code of Origin range, our natural diamond range with proof of provenance.

De Beers Code of Origin: Partnering with De Beers, Michael Hill was proud to be one of the first global retailers to carry a range of diamonds from the De Beers Code of Origin Trusted Source Program. De Beers is a renowned world-leader in diamond production, and the Code of Origin program reflects their deep commitment to social and environmental responsibility.

The De Beers Code of Origin program provides assurance that the diamond:

1. Is a natural diamond, discovered by De Beers
2. Was discovered in Botswana, Canada, Namibia or South Africa, where it has helped provide jobs, healthcare and education, with a particular focus on programs supporting women and girls
3. Is conflict-free and meets De Beers Code of Origin's industry-leading ethical standards
4. Has helped protect the planet through wildlife conservation and De Beers' commitment to be carbon neutral by 2030.



SANCTIONS COMPLIANCE FRAMEWORK

The Group has taken steps to comply with the sanctions package issued by the G7 countries during the financial year against non-industrial diamonds, mined, processed, or produced in Russia. While equivalent sanctions have not been introduced in Australia or New Zealand, given our presence in Canada, the Group recognises the G7 system as the benchmark for compliance efforts across our jurisdictions.

We have developed and implemented a robust compliance framework throughout all relevant areas of the business, including import and export, sourcing and procurement, and merchandising. This has involved uplifting our sourcing practices to ensure diamonds subject to sanctions are excluded from our loose diamond and finished jewellery product sourcing.

Supporting our compliance system for conflict free diamonds, Michael Hill's diamond suppliers provide written warranties to confirm that diamonds supplied are of non-Russian origin. The Group's framework has also been prepared to comply with the RJC Guidance on G7 Russian Diamond Import Restrictions and will be updated in FY25 when the sanctions package is expected to implement a mandatory traceability system to verify that imported diamonds are of non-Russian origin.

PRODUCT PILLAR

METAL STEWARDSHIP

CONFLICT FREE PRECIOUS METALS

We are committed to using conflict-free and responsibly sourced gold. This means that our brands take steps to ensure that we do not support activities which cause, support or benefit armed conflict, contribute to human rights abuses or to breaches of international humanitarian, money laundering and terrorist financing laws.

As part of our RJC mid-term audit performed in FY24, Michael Hill and Medley had conflict free gold certified as a provenance claim. This has involved only sourcing through suppliers who are capable of providing assurance that the gold in their products is responsibly sourced and conflict free in accordance with recognised frameworks maintained by leading industry bodies for precious metals.

These international frameworks have been recognised by the OECD and protect the integrity of the global supply chain for the precious metal markets. Our work is supported by established management systems and due diligence processes to validate our suppliers' responsible sourcing practices.

Currently 98% of the gold sourced by Michael Hill is conflict free, meaning our suppliers comply with the RJC standards for responsible ethical, human rights, social and environmental practices throughout the jewellery supply chain. We continue to aim to achieve 100% of Michael Hill's silver and gold products being certified recycled, responsibly sourced, local or artisanal sources by 2025. We are proud to have already achieved this goal for Medley and TenSevenSeven.

We are closely supporting one finished goods supplier who make up the final 2% to ensure the Michael Hill brand achieves our goal for 100% of our gold and silver sources to be conflict free by the end of 2025. We are also working towards this goal for Bevilles and, for FY25, will take steps to understand Bevilles' precious metals procurement practices and aim for these products to be responsibly sourced.

RECYCLED PRECIOUS METALS

As a Group, we only offer our customers recycled gold, silver and platinum that has been accredited under the RJC Chain of Custody Certification or SCS Recycled Content Certification. We have carefully selected these well-recognised industry standards for our recycled metals as part of our effort to reduce reliance on the earth's virgin minerals and to promote precious metals circularity.

Certified recycled metals formed 5% of Michael Hill's and 16% of Medley's gold and silver jewellery products for FY24. We are looking to increase this percentage of certified recycled metals for FY25 and beyond. This will involve working with our suppliers to ensure metal is only sourced from those who have a provenance claim for recycled gold and silver certified under their RJC Chain of Custody accreditation, or who have their recycled metals certified under the SCS Recycled Content standard.

96% of Michael Hill's sales are jewellery products made from gold and silver, therefore these metals remain our key focus to originate from more sustainable sources. We are committed to working with our existing suppliers to bring more certified recycled materials into the Group's supply chain and provide our customers with more sustainable gold and silver product options.

In FY24, Michael Hill launched a dedicated recycled silver collection in collaboration with Australian music icons, INXS. In accordance with our robust compliance systems, the silver was refined and recycled in accordance with the RJC Chain of Custody certification, ensuring traceability from the refiner to our finished products.

In the RJC mid-term audit conducted during FY24, the RJC certified a provenance claim by both Medley and TenSevenSeven relating to recycled precious metals. This involved fully documenting how our recycled metal products are sourced only from suppliers that can provide full traceability for recycled metals under the RJC Chain of Custody standard and/or the SCS Recycled Content standard.

We anticipate industry change around the definition of recycled and repurposed precious metals, and will continue to ensure any precious metals are disclosed in accordance with our requirements under the RJC *Code of Practices* and other relevant guidance.



PRODUCT PILLAR

INNOVATION AND CIRCULARITY

At Michael Hill, we continue to be a leader in innovative jewellery products and services in the countries we operate. The industry is starting to shift in material use, circularity and driving sustainable solutions, and the **Michael Hill Innovation Hub** strives to be at the forefront of any product development, innovation or research that is undertaken globally within our industry.

We are focussed on delivering *re:new* – our sustainable jewellery ecosystem in all of our markets, including *re:cycle*, *re:store*, and *re:imagine*. This innovative platform is a true circularity program in our industry, which focuses on the renewal and circularity of existing precious metals and products. Due to the inherent nature of precious jewellery materials, precious metals used to craft jewellery can be refined and recycled repeatedly, without losing their value or purity. Through our *re:new* ecosystem, we can provide value to our customers while supporting a circular economy.

re : new



Our sustainable jewellery ecosystem

re : cycle

Give your precious metals a new lease on life with our gold recycling program. Make a sustainable choice, while trading in for a store gift card.

re : imagine

Love your stone, but outgrown the size? Trade in your Michael Hill diamond and upgrade your size for even more sparkle.

re : store

Repair and restore your jewellery and see them shine anew, ready to be worn and loved again.



PRODUCT PILLAR

EXPANDING OUR RE:CYCLE PROGRAM

Fine jewellery materials are inherently fungible, as precious metals can be repeatedly refined, recycled and repurposed. The chemical makeup of precious metals means that this process can be performed without losing value or purity. This provides our industry an opportunity to provide innovative services for our customers, while building a more circular economy. We passionately believe this is something our industry should be tapping into: to protect our planet's precious natural resources, leading to a more sustainable and ethically responsible future.

In April 2023, we launched our gold recycling program "Re:cycle" in Australia, with the aim of providing a new jewellery circularity program for our customer which focuses on the renewal of existing gold jewellery. We encourage our customers to give "new life to their old loves" by recycling any broken, old or no longer worn gold jewellery pieces in exchange for a Michael Hill gift card, to purchase a new piece online or instore.

In March 2024, we extended this program to Canada and New Zealand, further growing our sustainable jewellery ecosystem and leading in the premium gold recycling service space. This circularity service provides a dual opportunity: to reduce our environmental impact and the reliance on virgin materials, as well as provide more service opportunities for our customers over the lifetime relationship with our brand and their product.

Through FY24, the global program has:

- Recycled 4,235 kilograms of gold
- Saved 12,829 tonnes of mining ore*
- Saved 64,423 kilograms of carbon emissions[^]

Through reputable global research, we understand that recycling 1g of gold can reduce an estimated 3 tonnes of ore extraction and avoid up to 16kg of carbon emissions. Our Re:cycle program allows us and our customers to contribute towards reducing the need for virgin-mined gold while reducing mining ore and carbon emissions.

* This is an estimate only, and is based on a global production-weighted mean average (Nassar, Lederer, Brainard, Padila and Lessard, 2022) Operational and extraction efficiencies vary greatly between individual mines.

[^] Estimating carbon emissions avoided is difficult. Our estimate is based on available information which is limited and is based on the aqua regia method – the most commonly used high-value gold scrap recycling process – from several state-of-the-art German refineries (Fritz, Aichele and Schmidt, 2020).

RE:IMAGINE YOUR DIAMOND

With the aim to extend our focus on circularity, we launched our Re:imagine diamond upgrade program for *Brilliance by Michael Hill* loyalty members in New Zealand in early 2024. Through this program, our members can upgrade an existing diamond jewellery piece they have purchased at Michael Hill for something new, to better reflect their evolving personal style or moment in their life and love story.

As we stand so strongly behind the quality and lasting beauty of our diamonds at Michael Hill, we offer a credit for 100% of our customers' original purchase price on eligible products, to contribute towards a new piece under the Re:imagine program. The original product which is returned must contain at least one certified natural (mined) diamond of at least 0.50ct. When the piece is returned, we work with our suppliers to repurpose the original ring's precious materials.

This program is currently on trial, with a plan to expand across Australia and Canada in FY25 based on its success.

EXPANDING OUR REPAIRS OFFERING WITH RE:STORE

Supporting the craft of jewellery making as well as a laser focus on quality has remained a priority for Michael Hill for many years. No matter the quality of a piece of jewellery however, wear and tear is inevitable through years of love. At Michael Hill, we provide a reputable repairs service for all Michael Hill jewellery products in each country, with New Zealand offering repairs on both Michael Hill and non-Michael Hill product.

In FY24, we are proud to have performed repairs on and renewed life in **359,174** pieces of our customers' jewellery, with our global partners preventing waste and extending each product's lifespan.

To expand our repairs offering for customers, as well as solidify our repairs supply chain, we purchased a repairs service business in Brisbane in November 2023. This service centre has performed dedicated repairs for Michael Hill for several years and is staffed with a team of local craftspeople with jewellery expertise. This service centre will remain focussed on repairing Michael Hill jewellery however we have plans to widen the Australian and Canadian repairs service offering to also include non-Michael Hill product as per our New Zealand business model, with the aim for Michael Hill to be global expert in jewellery maintenance and servicing for all our customers.

PRODUCT PILLAR

SUSTAINABLE LAB. PROGRAM

Michael Hill, Medley and TenSevenSeven are some of the few global retailers to become Accredited Retailers of SCS-007 Certified Sustainability Rated lab grown diamonds. In FY24, our brands have received a raft of positive global press acknowledging the innovative and sustainable nature of this new product we offer our customers.

For Michael Hill, sales of this product have increased to 11% of our overall diamond mix while attracting a new sustainability-conscious customer to our brand. We see our certified sustainability rated lab grown diamonds provided across 3 of our brands providing our customer the 5th C when purchasing a diamond – Choice.

Setting a new standard of excellence, a Certified Sustainability Rated Diamond has been independently evaluated in accordance with the SCS-007 Sustainability Rated Diamonds Standard and certified against five pillars of sustainability achievement provided by SCS global. Michael Hill's entire range of lab grown diamonds are certified sustainable, meaning they have achieved:

- **Verified origin traceability:** Sustainability Rated Diamonds are tracked through a verified origin traceability process that provides 99.9% accuracy of the origin of each diamond through its entire chain of custody, from producer to point of sale
- **Ethical stewardship:** each diamond is certified to adhere to twelve core ethical principles aligned to the strictest internationally recognised norms of business integrity
- **Verified climate neutral:** Sustainability Rated Diamonds are certified on their journey toward achieving full Climate Neutrality – produced in a manner that mitigates both current annual and past (“legacy”) greenhouse gas emissions still affecting the climate
- **Sustainable production practices:** Sustainability Rated Diamond producers are committed to the principle of doing no harm to humans or environment, and are actively working to avoid, eliminate or offset any impacts that might be associated with the production process
- **Sustainability investments:** Sustainability Rated Diamond producers engage in sustainability investments that help uplift artisanal and small-scale miners and other vulnerable communities, clean the air, protect the climate and protect endangered watersheds and ecosystems.

Each certified diamond is accompanied by a detailed certificate which is provided to the customer at the point of purchase.

In the absence of widely-used global standards for lab grown diamonds, we remain committed to using the highest level of sustainability certification, which we believe is currently SCS Global (SCS-007) standard. We note that the RJC has committed to launching its lab grown diamond standard in 2025, which we hope will assist the industry to achieve global consistency in certification as well as providing clarity and education for customers on the sustainability of lab grown diamonds.



PRODUCT PILLAR

RJC ACCREDITATION

MID-TERM REVIEW

Michael Hill has been a member of the Responsible Jewellery Council (RJC) since November 2016. The RJC is the global membership and standards body for responsible jewellery and watches throughout the product value chain, from mine to retail.

Members must demonstrate compliance with rigorous codes of practices to ensure responsible sourcing throughout the value chain, from sourcing and procurement to manufacturing and selling of jewellery, with a focus on human rights.

We are proud to continue our long standing RJC membership under the *Code of Practices* standard. In October 2023, the RJC completed a mid-term review. Michael Hill has now had its certification renewed through to February 2025. This demonstrates our commitment to responsible jewellery and promoting trust and transparency in our supply chains.

Whilst we closely monitor ongoing developments with the RJC and the broader global impacts on our supply chains, the Group continues to endorse the RJC's *Code of Practices* as the gold standard for responsible sourcing in our industry.

PROVENANCE CLAIMS

Provenance claims are those made by RJC members about the way materials are sourced, or what kind of materials we can provide to customers. We can only make these types of statements once they have been certified by the RJC as supportable provenance claims.

As part of our mid-term audit, our brands had a number of provenance claims certified by the RJC, reflecting a transparent commitment to social and environmental responsibility. Michael Hill and Medley's provenance claims help to demonstrate to customers that our products are made from conflict free gold. TenSevenSeven and Medley's additional provenance claims provide assurance that products crafted from recycled precious metals are only sourced from suppliers certified under the SCS Recycled Content standard or the RJC Chain of Custody standard.

As our sourcing and production knowledge deepens, Michael Hill will work towards making additional provenance claims during its audit scheduled during the FY25 year. The Group will continue to promote provenance claims as a way of supporting our sustainability strategy regarding responsible sourcing and traceability for the precious materials from which our products are crafted.

The RJC *Code of Practices* comprises 42 provisions that are specifically designed for RJC members within the jewellery industry to fulfil objectives relating to legal compliance, responsible supply chain, human rights and due diligence, labour rights and working conditions, health, safety and environment, and product disclosures.



PRODUCT PILLAR

COP 7 (CAHRAs)

COP 7 covers due diligence for responsible sourcing from conflict-affected and high-risk areas (CAHRAs).

At a high level, COP 7 requires Michael Hill to exercise due diligence over its supply chain in accordance with the *OECD Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain* from CAHRAs, in a way that is appropriate to Michael Hill's size and circumstance. We do this in a variety of ways, such as offering an effective grievance mechanism, operating an inhouse system that provides transparency over our supply chain, and arranging independent third-party audits over our suppliers where appropriate.

Under COP 7 requirements, Michael Hill also addresses sourcing from CAHRAs in its *Group Supply Chain and Procurement Policy* and its *Code of Business Ethics and Code of Conduct for Suppliers*. The Policy covers the risks that are relevant to our business and the risks associated with sourcing from CAHRAs, including risks of human rights abuses, direct or indirect support of non-state armed groups, bribery, public and private security forces and environmental impacts.

As an accepted principle of responsible sourcing, the Group supports the position that engagement with CAHRAs must be performed in a sustainable manner, as disengagement from these areas can lead to increasing conflict and risk within affected communities.

COP 29 (Kimberley process)

COP 29 covers the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties.

At a high level, COP 29 requires Michael Hill to neither knowingly buy or sell conflict diamonds nor help others to do so. We are committed to responsible trading with all our supply chain parties through complete avoidance of any dealings in conflict diamonds, or support of any person or entity dealing in conflict diamonds.

Our Conflict Free Diamonds and Sourcing Policy ensures all Michael Hill diamonds are from legitimate sources. All diamonds are purchased under the Kimberley Process, which was instigated in 2003 to help combat the trade in conflict diamonds.

Through a robust written assurance system, we also rely on our downstream suppliers to comply with the Kimberley Process when sourcing the diamonds we ultimately purchase from them. The Kimberley Process ensures that rough diamonds are exported and imported with a government-validated Kimberley Process certificate stating that the diamonds are conflict-free and transported between signatory countries in a sealed and tamper-proof container.

The diamonds are then sold with a written statement (warranty) from the seller, that must be included on an invoice, guaranteeing that the diamonds are conflict-free. The same warranty also appears on the invoices from all suppliers of polished diamonds and finished diamond jewellery sold to Michael Hill.

Michael Hill's retail team is trained on our responsible sourcing processes for diamonds and the relevant staff remain informed of any applicable trade sanctions or systemic issues with the diamond supply chain. As an additional compliance measure under COP 29, Michael Hill's retail stores are prohibited from self-sourcing or purchasing diamonds (whether polished or set in jewellery).

STANDARD DEVELOPMENTS

We acknowledge that the RJC commenced an update of the COP standard in 2021 and the RJC is conducting a full revision of the COP in 2024. This aligns with the ISEAL Code of Good Practice for Sustainability Systems v1.0, which requires the COP to be reviewed every 5 years.

The proposed draft includes updates on waste and emissions, diversity and inclusion, product disclosures, provenance claims and grievance mechanisms. The COP remains under consultation at the time of publishing our Annual Report.

The Group welcomes the update of the COP. The Group also continues to monitor the RJC lab grown diamond standard, which is proposed to be included in the updated COP standard, and commits to taking steps towards compliance when such guidance is available.

PLANET

WE WILL NURTURE NATURE AND REDUCE
OUR NEGATIVE IMPACTS TO NET ZERO

PLANET PILLAR

ZERO CARBON OPERATIONS

We have committed to achieving net zero greenhouse gas emissions from our own operations (Scope 1 and 2 emissions) by the end of 2025.

To demonstrate achievement of this target, we have been working to complete our Scope 1 and 2 emissions inventory. We are pleased to report that our Scope 1 and 2 emissions have been calculated for FY23 and FY24.

In line with requirements under the Australian Sustainability Reporting Standards (ASRS), we have chosen to apply the National Greenhouse and Energy Reporting (NGER) Regulations and the Greenhouse Gas (GHG) Protocol for our emissions identification and calculations.

OUR EMISSIONS

The reporting period we have chosen to adopt for emissions calculation is our financial year (July to June).

The organisational boundary for our emissions is the Michael Hill Group. This includes all Michael Hill and Bevilles stores in Australia, New Zealand and Canada and Michael Hill and Bevilles support office locations including our manufacturing, distribution centre and repairs sites in Brisbane. This boundary definition is consistent with that used for our financial reporting and complies with NGER legislation.

Our initial emissions inventory includes Scope 1 and 2 emissions. In all cases, emissions have been calculated using methods specified in the NGER Measurement Determination 2008. Local emissions factors for New Zealand and Canada have been used where relevant, for example for electricity and gas.

SCOPE 1

Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity. For Michael Hill, this consists of

- fugitive emissions primarily from refrigerants used in air conditioning units and fridges
- fuel combustion from gas used in our manufacturing and repairs facilities

In addition, there are also small fridges in some retail stores and some air conditioning units, mostly in stores that are not part of a larger centre. The emissions from these items have been estimated to be small and not material to our emissions inventory, so they have not been included. This assessment will be reviewed annually.

SCOPE 2

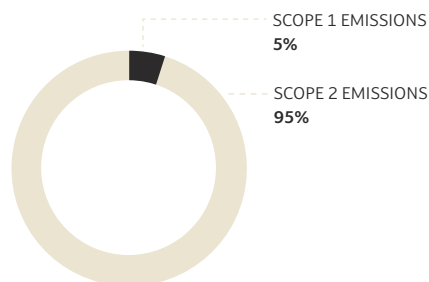
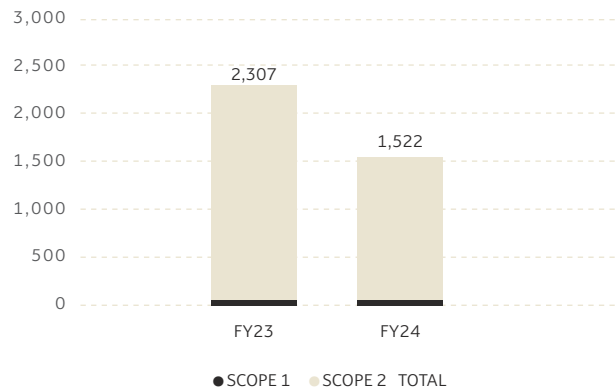
Scope 2 emissions are indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. For Michael Hill, this includes all purchased electricity and heating at our retail and support office locations globally.

We have calculated our Scope 2 emissions using both location-based and market-based methods. The location-based method estimates emissions using an average emissions intensity for grids where the electricity consumption occurs. The market-based method estimates emissions in the context of a company's investments in different electricity products, such as voluntary purchases of renewable energy certificates.

Some estimates have been made in calculating our emissions to ensure completeness, accuracy and comparability across years. In a small number of instances actual usage of electricity and heating was not available from supplier invoice data. In these cases, consumption has been estimated based on average consumption for sites of a similar size and location.

In addition, an adjustment has been made to our emissions calculation for Bevilles, which was acquired on 1 June 2023. In accordance with the GHG Protocol guidance we have included a full year of estimated emissions for Bevilles in FY23.

TOTAL CARBON EMISSIONS (tCO₂e) SCOPE 1 AND 2⁽¹⁾



(1) Scope 2 emissions shown in this graph are market-based. 263 tonnes of CO₂e have been included as an estimate for the Bevilles pre-ownership period in FY23 (11 months to 1 June 2023)

PLANET PILLAR

TOTAL CARBON EMISSIONS (tCO ₂ e)	2023	2024
Scope 1	57	70
Scope 2		
Location-based	2,365	2,270
Market-based	2,250	1,452
Total emissions Scope 1 and Scope 2 (market-based)	2,307	1,522

SCOPE 3

Scope 3 emissions are all other indirect greenhouse gas emissions not included in Scope 2, that occur outside the boundary of the organisation as a result of actions by the organisation. This incorporates emissions within the entire value chain, both upstream and downstream of the organisation. Over the coming years, we will work to understand and calculate our Scope 3 emissions.

NET ZERO PROGRESS

We set ourselves a target to achieve net zero scope 1 and scope 2 emissions by the end of 2025. By the end of this financial year, we had achieved a 34 per cent reduction in scope 1 and 2 emissions across the group since the same time last year.

As approximately 95 per cent of the emissions from our own operations come from purchased electricity and heat, our net zero efforts have been focussed on our energy use. We are working towards achieving our net zero goal by following a “Reduce, Replace, Offset” strategy.



PLANET PILLAR



REDUCE

We are consistently looking for opportunities to reduce our emissions by improving our energy efficiency. For example, we have introduced LED lighting across our store network, with 80% of our stores now running on LED lighting, with plans to install LED lighting in the remaining stores as part of our regular refit works. In addition, sustainable design principles are adopted for new sites, such as our Brisbane head office, and are being considered for all future store designs across the network. These efficiency gains both reduce our emissions and deliver cost savings.



REPLACE

Secondly, we are in the process of switching the electricity sources that power our offices and stores to sources that support renewable energy generation. Our Brisbane support office is running a 99KW solar panel system, reducing the energy we need to use from the grid. Additionally, we are actively procuring green energy solutions that, in time, are expected to allow us to report our electricity emissions as zero across all markets we operate in.

We are proud to report we made excellent progress in this area during the year, including:

- All support office locations for Michael Hill (Australia and New Zealand) and Bevilles have been transitioned to zero emission sources that support 100% renewable energy generation.
- 95 per cent of our New Zealand retail network is on zero emission sources that support 100% renewable energy generation (42 of our 44 stores). The remaining 2 sites are supplied via landlord embedded networks, for which we are investigating renewable energy options.
- 45 per cent of our Australian retail network is powered by zero emission sources that support 100% renewable energy generation. This represents 60 of our 135 Michael Hill stores and 17 of our 36 Bevilles stores.

- We are engaging with landlords or energy providers for all stores that do not yet offer a green power solution in Australia, with several options under active consideration.
- We have commenced our review of options to take our Canadian stores to 100% renewable energy.

In Australia we have supported renewable energy generation via GreenPower purchases with our energy providers as well as through agreements made directly with landlords to surrender large-scale generation certificates (**LGCS**) on our behalf to the Clean Energy Regulator. In New Zealand, we have an agreement with our energy provider to have renewable energy certificates allocated to us under the NZ Energy Certificate System (**NZECS**).

For the sites we have transitioned this year, we have procured renewable energy certificates to verify that the amount of electricity we used from the grid in Australia and New Zealand is matched on a regular basis with electricity produced from certified renewable sources. For example, in New Zealand, we have directly supported renewable generation from a hydro station and a wind farm in the South Island. These renewable energy products enable us to report our market-based scope 2 electricity emissions as zero, using the market-based methodology as per the GHG Protocol Scope 2 Guidance. These renewable energy purchases have driven the Scope 2 emissions reduction we have achieved this year.



OFFSET

Finally, as a last resort we plan to remove remaining difficult to abate emissions by utilising carbon offsets. This will be done in late 2025 as a final step in meeting our Scope 1 and 2 net zero goal.

PLANET PILLAR

OUR NEXT STEPS

We are confident we are on track to achieve our goal of net zero GHG Scope 1 and 2 emissions from our own operations by the end of 2025.

To do this, over the coming year we plan to finalise arrangements to source renewable energy options for our full store network. In addition, we will investigate the most appropriate way to offset any remaining emissions we have not been able to abate.

Whilst we are proud of what we will achieve with our Scope 1 and 2 emissions, we acknowledge that a large part of our carbon footprint is made up of our Scope 3 emissions. Over the coming year, we will look to understand and raise awareness within the business of Scope 3 emissions. We look forward to engaging with our supply chain partners as we continue along our decarbonisation journey.

“We are proud of the progress that has been made over the last year to understand and estimate our carbon footprint as well as identify opportunities to reduce it. Significant steps have been taken towards our net zero goal and we look forward to building on this next year.”

ANDREW LOWE, CHIEF FINANCIAL OFFICER



PLANET PILLAR

BRISBANE SUPPORT OFFICE

We are committed to consistently searching for better ways to operate and to reduce our impact on the environment. The sustainable components of our head office in Brisbane represent a significant milestone as we work towards achieving net zero carbon operations by 2025.

In collaboration with our landlord, we have driven the systems and technologies used on site to reduce our energy consumption and emissions.

This financial year, we entered into an electricity supply arrangement that ensures 100% of our billed electricity consumption has zero greenhouse gas emissions. Without this arrangement, we estimate our monthly greenhouse gas emissions for billed electricity usage to be approximately 40 tonnes. We are proud to have reduced this figure to zero.

To support this focus on renewables, our head office building also operates a 99KW solar panel system in accordance with Australian Standard AS5033

by the Clean Energy Council. During this financial year, our Base Building achieved a 5 star Energy rating (Excellent) with the National Australian Built Environment Rating System (**NABERS**). A NABERS Energy rating looks at a building's energy efficiency and helps to track our performance against our sustainability commitments.

Our head office features water tanks to capture rainwater to be used in the buildings facilities systems for all landscaping. A NABERS Water rating looks at the water consumption from external sources and how water is used within a building to support the office. The Base Building of our head office earned a 4.5 star rating for Water in the 2023/24 period.

We are proud to actively contribute to and promote Australia's renewable energy generation.



PLANET PILLAR

SHOPPING CENTRES

As part of our pathway to net zero for our store network, this financial year we have also engaged with each of our Australian landlords to assess renewable electricity solutions. Retail centres have become a natural partner for our instore brands as we work together to reduce the retail industry's emissions and work towards net zero.

During the financial year, we entered into an arrangement with Scentre Group to ensure 33 of our Michael Hill and Bevilles stores use zero emission sources that support 100% renewable energy generation through Scentre Group's embedded electricity network. This arrangement ensures these 33 stores have zero carbon emissions and contribute to renewable electricity generation in Australia for the applicable period during this financial year. Michael Hill was featured in the Scentre Group's 2023 Responsible Business Report alongside three other retailers who have partnered with the landlord towards a mutual net zero goal.

We continue to assess each solution offered by landlords to ensure we take appropriate action to align with the Group's broader sustainability and emission goals.



CLIMATE-RELATED DISCLOSURES

AUSTRALIA

In Australia, the Group forms part of the first cohort that is subject to new climate-related disclosure requirements. From January 2025, Australian companies must disclose sustainability reports alongside their financial reports. Given the timing of our financial year, the Group's first reporting period will be for FY26.

In FY24, the Group has dedicated resources to understanding the new requirements of the *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information*, that the Group is required to comply with. The Standards are aligned with international sustainability standards published by the International Sustainability Standards Board with a climate-first approach, rather than a broader ESG reporting standard, alongside some amendments to ensure the Australian requirements are appropriate to local needs.

NEW ZEALAND

New Zealand introduced climate-related disclosure requirements for entities listed on the NZX during this financial year. The Group is listed on the NZX, but with a primary listing on the ASX, and is recognised as a foreign exempt issuer under the New Zealand listing rules. In accordance with the *Financial Markets Conduct (Climate-related Disclosures for Foreign Listed Issuers) Exemption Notice 2024*, the Group is an exempt entity and is relying on the exemption in clause 6 of the Notice in respect of its FY24 period. In FY24, there have been no Australian climate-related disclosure requirements that the Group is obliged to comply with. This means the Group is exempt from complying with the New Zealand requirements and will instead comply with the Australian requirements in the relevant financial year.

The Group continues to closely monitor climate-related disclosure requirements across its jurisdictions and welcomes the new transparency requirements across Australian and New Zealand.

PLANET PILLAR

NATURE RESTORATION

A key area of focus for The Michael Hill Foundation, launched in February 2024, is Nature Restoration. With this focus, we will fund continual initiatives aimed at conserving and restoring nature in our communities. Our commitment is to plant one million trees throughout Australia, New Zealand and Canada by 2030 with our charity partner, **One Tree Planted**.

Planting trees is the simplest yet most critical initiative that aids in improving air quality, sequestering carbon, preventing soil erosion, and providing biodiverse habitats. This partnership enables us to give back to the environment, create a healthier climate, protect biodiversity and help global reforestation efforts.

For every LAB. Collection piece sold in Australia, New Zealand and Canada, Michael Hill has committed to planting up to 10 trees with One Tree Planted to fund projects in the areas we operate. Examples of projects we plan to work on with One Tree Planted include aiding forest fire recovery in Canada, engaging First Nations communities in Australia, and restoring natural habitats in New Zealand. When donating The Michael Hill Foundation funds to our partner, we are of course guided by One Tree Planted's expertise on which local projects to support.

The range of lab grown diamonds at Michael Hill which support this initiative are certified sustainable and climate neutral. By purchasing our most sustainable product, our customers can help us give back even more to the planet which provides our business and our industry so much.

Our nature restoration target to plant one million trees is a separate initiative to our Net-Zero ambitions. We do not use this initiative and partnership with One Tree Planted to offset any of our operational carbon emissions – the primary focus of this partnership with this One Tree Planted is to aid environmental conservation and restoration across our communities.

Since the launch of this partnership in March 2024, we have planted 51,981 trees across Australia, New Zealand and Canada. In Australia, we supported an indigenous-led planting project on the Western Australia coast, near Esperance. In New Zealand, we helped to restore native forestry following a pine plantation clear out in the North Island's Tairāwhiti (Gisborne). In Canada, we planted trees near Nazko, a remote community in British Columbia, as part of ongoing fire recovery efforts.



PLANET PILLAR

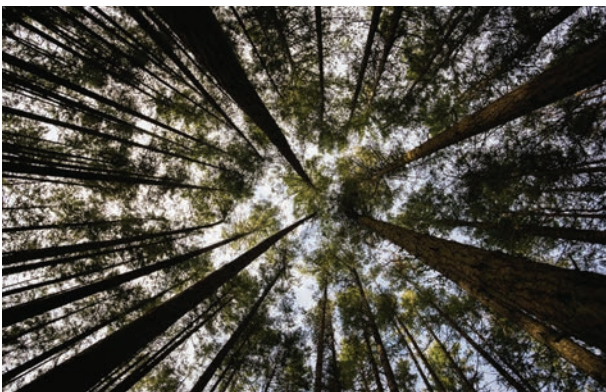


ABOUT OUR PARTNER, ONE TREE PLANTED

One Tree Planted is a non-profit organisation focused on global reforestation. Their aim is to help restore forests, create habitats for biodiversity, and make a positive social impact around the world. Together with their planting partners, One Tree Planted turns donations into saplings that are planted, monitored, and cared for in areas where they're needed most. Since 2014, One Tree Planted have planted over 135.5 million trees with 378 partners across 82 countries in North America, Latin America, Africa, Asia, Europe and the Pacific.

“We’re so excited that Michael Hill has pledged to plant 1 million trees across Australia, New Zealand and Canada. It’s fantastic to see businesses like Michael Hill step up their sustainability commitments, and we hope it inspires others to do the same. This significant partnership will support locally-led projects to restore land after devastating wildfires in Canada, build climate resilience by planting native species in New Zealand, and establish healthy native habitat for the unique species that call Australia home.”

BETH DALGLEISH, REGIONAL DIRECTOR, ONE TREE PLANTED, ASIA PACIFIC



PLANET PILLAR

WASTE

AU HEAD OFFICE WASTE REDUCTION

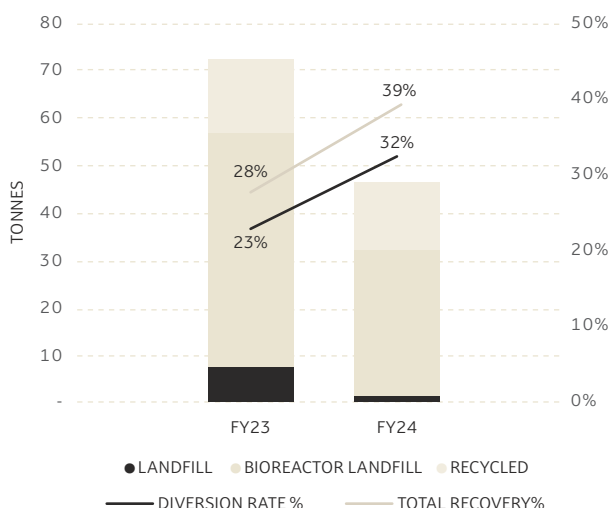
Our goal is to send zero waste to landfill by first minimising then diverting waste from our operations. We will also eliminate single use plastics from our packaging by 2027.

We have continued to see lower waste volumes due to the initiatives we implemented on moving into our new head office in Brisbane such as increased recycling of distribution centre materials, fewer and smarter print stations reducing paper waste and a segregated waste management system with clear labelling for staff. In addition, our technology partner continues to work with third parties to eCycle as much functional hardware as possible where our current stock is upgraded.

Working with our waste management partner, we have been able to calculate total waste volumes for our head office, including our distribution centre and manufacturing facility. Head office waste volumes in FY24 were 37% lower than last year. It is acknowledged that a large amount of this reduction was due to prior year waste volumes being inflated in July and August 2023 due to our office move.

We are also tracking our diversion rate and total recovery rate. Our diversion rate is defined as the amount of waste diverted from disposal to landfill divided by total waste generated on-site. For Michael Hill during the last two years, our diversion activities include recycling of cardboard, mixed recyclables, plastic, paper and food waste composting. Our waste management partner uses a bioreactor landfill facility which captures and extracts gas to recover energy. The energy is then used to power households in the surrounding area. Waste used in energy recovery is included in the total recovery rate shown.

AUSTRALIAN HEAD OFFICE WASTE & DIVERSION



APCO ANNUAL REPORT AND ACTION PLAN

Michael Hill is a proud member of The Australian Packaging Covenant Organisation (APCO). APCO has over 2,300 members that share a commitment to reducing the environmental impact of their packaging and working towards the 2025 National Packaging Targets. Our APCO membership is important to ensure transparency and accountability under our Zero Waste goal.

At the recent APCO 2030 Strategy Roadshow, APCO acknowledged the challenges that businesses have faced in achieving Australia's 2025 national packaging target. These national targets include 100% reusable, recyclable or compostable packaging, 70% of plastic packaging being recycled or composted, and 50% of average recycled content in packaging. APCO's 2030 Strategy will lead sustainable packaging initiatives beyond the 2025 targets, and the Group welcomes the proposed consultation process with government, industry and businesses over the coming year in setting its 2030 Strategy and targets.

We are already implementing initiatives to make our packaging more sustainable and to reduce the amount of packaging that ends up in landfill. In our published Action Plan, we have committed to developing a strategy that includes measurable goals for packaging sustainability, committing to making most of our packaging from recycled material, and to generally improve the quality of our packaging data by closely collaborating with suppliers.

For 2023 calendar year, Michael Hill's overall APCO performance level was "Good" Progress. Our 2023 annual report and 2024 action plan are publicly available and can be downloaded from our website. We are now working towards taking tangible action on our packaging sustainability journey and look forward to engaging with APCO's 2030 Strategy over the coming year.

PLANET PILLAR

CANADIAN PACKAGING OBLIGATIONS

In Canada, extended producer responsibility (**EPR**) programs are used to manage products at their end of life. As a result, businesses, such as Michael Hill, that supply packaging and paper in Canada are financially responsible and accountable for those materials over their full life cycle. By meeting EPR requirements, businesses help to drive a circular economy by improving recycling rates and encouraging a more efficient use of materials.

EPR regulations are set at a provincial level and the programs provide for either full or partial funding of the recycling system by obligated businesses. The provincial recycling regulations detail producer responsibilities and determine the materials that businesses are obligated to report, pay fees for, and in some provinces, collect and manage as well.

Where applicable, Michael Hill partners with a producer responsible organisation (**PRO**) to help us meet these obligations in Canada. For the 2023 calendar year, Michael Hill met all of its EPR obligations.

CANADIAN WASTE REDUCTION INITIATIVES

During the financial year, Michael Hill took steps to comply with new by-laws intended to reduce retail packaging waste. By-laws were introduced at a city council level as part of broader initiatives to reduce use of single-use plastic and shopping bags. This involved offering our customers bags that were fully recyclable and composed of a prescribed level of recycled content. In accordance with the by-laws, we are obliged to charge customers a nominal fee for our shopping bags. The fees collected are passed on to The Michael Hill Foundation, meaning funds collected under a waste reduction program can further benefit sustainable initiatives under our fundamental pillars of Empowering Women and Nature Restoration.

GLOBAL GROUP PACKAGING TENDER

The Group identified that our packaging required revamping to meet the standards of being an APCO member, and to comply with our internal sustainability and modern slavery requirements.

In FY24, we commenced the search for packaging providers who can partner with us to review our lines of packaging across all brands, and design and deliver a suite of packaging that aligns to our brands whilst being more sustainable, reduce waste and is manufactured in locations and factories with good management and compliance systems.

MANUFACTURING WASTE AND CIRCULARITY

We are committed to product circularity and reducing our reliance on mined precious metals. This financial year, Michael Hill partnered with a highly accredited precious metal refiner to process our manufacturing waste. Our arrangement enables us to return alloy scrap and other small sweepings that typically occur during our jewellery manufacturing process. For example, small amounts of gold can often be found in our sink waste or polishing tools. We have been returning approximately 5 kilos of gold a month, and smaller volumes of silver and palladium. We are proud to be diverting this waste through a refinery that is certified under global responsible sourcing standards.



PEOPLE

WE WILL IMPROVE THE LIVES
OF PEOPLE ACROSS OUR VALUE CHAIN

PEOPLE PILLAR

RESPONSIBLE SUPPLIERS

Michael Hill is committed to working with our key suppliers across our diverse supply chain to implement responsible sourcing practices that comply with relevant laws and regulations, promote ethical sourcing practices, support and uphold social responsibility and human rights, minimise environmental impacts, and maintain transparency and accountability.

Our vision remains that by 2030, 100% of our suppliers will meet our expectations for their social and environmental impacts. With the focus on jewellery suppliers, we are optimistic this can be achieved sooner.

Our modern slavery statement captures a number of the initiatives to achieve these goals and they are summarised in the following roadmap.

1. FOUNDATION	2. ENHANCE	3. OPTIMISE
FY20-21	FY22-24	FY25+
<ul style="list-style-type: none"> ✓ Established Supplier Transparency Platform. ✓ Identified key suppliers to engage on the Supplier Transparency Platform. ✓ Developed the Ethical Supply Chain Assessment. ✓ All Tier 1 jewellery and packaging suppliers onboarded onto Supplier Transparency Platform and completed the Ethical Supply Chain Assessment (accounts for 60% of total supplier spend). ✓ Updated Code of Ethics and Code of Conduct for Suppliers. ✓ Reviewed and updated of key supplier contracts and supply terms and conditions. ✓ Covid-19 response plan and crisis management. ✓ 2021 Group team engagement survey. ✓ Updated team member Code of Conduct. 	<ul style="list-style-type: none"> ✓ Reviewed new supplier onboarding process and supplier scorecards, including implementation of quarterly business review processes with suppliers conforming to modern slavery, ESG and responsible sourcing requirements. ✓ Established an Ethical Supply Chain Assessment tailored to non-jewellery industry suppliers. ✓ Onboarding more suppliers onto the Supplier Transparency Platform. The focus was on categories that involved human services or higher risk industries (e.g. property, security, maintenance, facilities management, packaging, offshore vendors) and marketing and digital/IT vendors. ✓ Recommended regular supplier visits to high risk production facilities. ✓ Developed remediation plans with high risk supplier audits or cease supplier engagement. ✓ RJC certification to 2025 - includes improving compliance with COP 6 Human Rights in line with UN Guiding Principles on Business and Human Rights and COP 7 Due Diligence for responsible sourcing from Conflict Affected and High-Risk Areas. ✓ Modern Slavery training for Michael Hill staff in key sourcing and contract management roles, an acceleration of FY25+ target. ✓ Reviewed current grievance mechanisms. ✓ Sustainability - core pillar of our strategy and brand proposition. 	<ul style="list-style-type: none"> ✓ Annual Modern Slavery awareness training rolled out to executives, senior staff and group staff in key sourcing and procurement roles. Target revised from Annual Modern Slavery awareness training for all staff. <p>Continue in FY25+:</p> <ul style="list-style-type: none"> • Uplift Michael Hill's Modern Slavery Program to reflect new legislation coming into effect in our markets of operation. • Complete Modern Slavery effectiveness review (Australia). • Develop a Modern Slavery Risk Scorecard for measuring effectiveness of Michael Hill's actions in assessing modern slavery risk. • Extend Ethical Supply Chain Assessment to all suppliers. • Revise the process for selection of new suppliers to include completion of a tailored questionnaire per industry type, visits to the facilities to understand working conditions and appropriate revisions to the Supplier Code of Conduct if required.

Legend: ✓ Achieved • Partially achieved

PEOPLE PILLAR

1. FOUNDATION	2. ENHANCE	3. OPTIMISE
FY20-21 <ul style="list-style-type: none"> ✓ Health, safety and wellbeing focus. ✓ Appointment of senior leader responsible for sustainability. ✓ Alignment of Modern Slavery Questionnaire to RJC standards. ✓ Issued our first Modern Slavery Statement. 	FY22-24 <ul style="list-style-type: none"> ✓ Validating supplier certifications and membership to confirm commitment to social and environmental performance. ✓ Revised anti-slavery contract terms and conditions. ✓ Revised Supplier Code of Ethics and Conduct for ESG and anti-slavery requirements. ✓ Developed Modern Slavery Compliance Checklist for Michael Hill management visits. ✓ Establish a process for undertaking due diligence for Tier 2 and 3 suppliers. ✓ Establish formal committee for ongoing responsible sourcing practices. ✓ Launch of the Michael Hill Foundation, supporting positive change for disadvantaged women and contributing to the restoration and conservation of the natural environments. <p>Continued into FY25</p> <ul style="list-style-type: none"> • All jewellery suppliers meet 'responsibly sourced' standards. • Develop a tailored questionnaire depending on industry type to suit smaller scale suppliers. • Modern Slavery Supplier Transparency Platform is uplifted for TenSevenSeven and Bevilles suppliers. 	FY25+ <ul style="list-style-type: none"> • Undertake due diligence for all suppliers. • Develop Michael Hill's Responsible Sourcing Policy. • Consideration of corporate structure and alignment to business strategy (e.g. B Corp certification). • Ongoing RJC compliance monitored through management attestation confirming compliance with relevant COPs. • Embed ongoing cycle of audits with our third-party independent verification and audit partner on high-risk suppliers.

Legend: ✓ Achieved • Partially achieved

Our public reporting of modern slavery matters has expanded from the Australian *Modern Slavery Act 2008* (Cth) to also include the Canadian *Fighting Against Forced and Child Labour in Supply Chains Act*.

Our responsible supplier platform continues to underpin our assessment of suppliers. As at June 2024, a total of 189 active suppliers (inclusive of all Michael Hill jewellery suppliers) have been loaded onto the platform representing 17% of Michael Hill's supplier base and 69% of total supplier spend.

In FY24, we delivered several independent supplier site audits and Michael Hill management factory visits. Several non-conformances have been identified in these site audits

and visits, which if not addressed in a timely manner could increase the risk of modern slavery. All vendors to date with identified non-conformances have been proactive and responsive in addressing any areas noted for improvement.

Any ongoing non-conformances from suppliers are taken seriously and we work with these suppliers to remediate in the first instance and terminate relationships, should they not uplift their practices to directly address their non-conformances, in line with our documented requirements and expectations.

PEOPLE PILLAR

EMPOWERING WOMEN

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous, and sustainable world. There has been progress over recent decades: more girls are going to school, fewer girls are forced into early marriage, more women are serving in parliament and positions of leadership, and laws are being reformed to advance gender equality. Despite these gains, many global challenges remain.

With 86% of the people working at Michael Hill Group identifying as female, and the majority of our customer base identifying as women, Empowering Women is a key area of focus for the Michael Hill Foundation. Michael Hill's philanthropic efforts have been aimed at improving the lives of women, through enabling opportunities, under a considered program of work since 2021.

By 2030, we aim to deliver initiatives and programs focused on empowering and supporting over 100,000 women and have strong roadmaps and partnerships in development to deliver this goal in the coming years.

WORKING WITH KEY PARTNERS

Collective Good
Foundation



COLLECTIVE GOOD FOUNDATION

Collective Good Foundation works closely with companies, non-profits and foundations to implement projects and develop sustainable solutions to meet the challenges of a developing India. Key issues they work to address include healthcare, education, Water, Sanitation & Hygiene (WASH), and women's empowerment.

This financial year, with fundamental support from the Rosy Blue Foundation, a registered charity organisation of one of our key jewellery product suppliers in India, Michael Hill established a partnership with **Collective Good Foundation** to empower women in the arid rural village of Danta, North Gujarat, India.

Women and girls in this area face challenges including limited avenues for skilled work and work outside the home; lack of financial support for higher education; and a greater burden of domestic and care work. Our partnership has four key focus areas to improve women's lives in Danta: including providing access to agriculture schemes and water security, food security through home gardening, menstrual education and support, and hygienic toilet facility refurbishments. We have chosen to support women and girls in Danta in the state of Gujarat - a key diamond

region intrinsically linked to the jewellery industry and our business. Rosy Blue Foundation will help to coordinate this work on the ground.

Since the launch of The Michael Hill Foundation, we have donated over \$48,000 to the Collective Good Foundation and kick-started fundamental projects to support our target of empowering 100,000 women by 2030.

Rather than a 'set and forget approach' where refurbished or new facilities are developed without continuing support, we have collaborated with the Collective Good Foundation to meaningfully consider the long-term impacts that our donations can have on local women. For example, rather than locating a menstrual support kiosk or refurbishing toilet facilities in the most populated area, the Collective Good Foundation has helped to ensure our projects have the most impact. Field work with local communities has helped us to identify women's groups who can be trained on operating and maintaining the facilities we will be developing. This work also identified women leaders from the local community to act as trainers to increase engagement, which this has proven especially important given dialect differences across Danta.

"Global evidence shows that investing in women is the single most critical aspect to help families come out of poverty and we're very excited to work with Michael Hill to further this agenda. We aim to support over 80,000 women and girls over five years by enabling them to build alternative livelihoods, get access to government schemes and subsidies for healthcare and supporting their menstrual health and hygiene needs, helping them pursue education and jobs with lesser challenges. We truly value Michael Hill's patience in understanding the socio-economic and socio-cultural challenges that we deal with in the remotest parts of India, and are happy to partner with them in a long term initiative focused on a powerful social transformation program."

VINAY MENON, SENIOR MANAGER, SAMHITA SOCIAL VENTURES

PEOPLE PILLAR



DRESS FOR SUCCESS - AUSTRALIA

Dress for Success is a global not-for-profit organisation that empowers women to achieve economic independence by providing a network of support, professional attire and the development tools to help women thrive in work and in life.

In 2023 in Australia:

- Dress for Success helped more than 5,402 women
- Volunteers donated more than 34,956 hours of their time
- More than 56,889 items of clothing, shoes and bags were donated to women in need.

“At Dress for Success, we economically empower women across the globe. By standing together with partners like Michael Hill, we can continue to help women find resources to transform their lives and secure their futures, support their families, and help rebuild their communities. Thank you, Michael Hill, for your ongoing commitment. Your support helps us to change the lives of women throughout Australia – and we are immensely grateful.”

MICHELE C. MEYER-SHIPPI CEO, DRESS FOR SUCCESS WORLDWIDE



PERIOD PURSE – CANADA

The Period Purse is a registered charity in Canada striving to create menstrual equity by ensuring sustainable access to period products for all and by ending the stigma associated with periods through education and advocacy. Their three pillars of focus include outreach, education, and advocacy. Since their inception, they have donated more than five million period products and educated over 6,000 people.

In 2024, Michael Hill was delighted to establish a partnership with The Period Purse. Our teams have had significant engagement with our Retail Leadership Team visiting the premises and participating in a Moon Time Walk and insightful conversation. The CEO of the charity has attended a Canadian Managers meeting to educate our team about menstrual equity and this work has been extended to our Michael Hill Podcast, Room for All.

“The Period Purse provides free period products to those who need them and educates folks of all genders and ages across Canada to reduce the stigma of periods! We’re bringing dignity and menstrual health to as many people as possible.”

DANIELLE KAFTARIAN, EXECUTIVE DIRECTOR, PERIOD PURSE



WOMEN'S REFUGE – NEW ZEALAND

Women's Refuge is New Zealand's largest nation-wide organisation that supports and helps women and children experiencing family violence. They provide crucial services including a 24-hour crisis line, information and safe housing, as well as education programmes and advocacy aimed at positively changing policies and attitudes. Their vision is for all women and children in New Zealand to live free from domestic and family violence.

Michael Hill continued our partnership into the 2024 calendar year in New Zealand with Women's Refuge in Auckland.

“We cannot thank Michael Hill enough for their previous support and donations. These funds will go to providing much needed nights of safety for women and children experiencing family violence. It takes many safe nights to achieve a violence-free life and our advocates help across a wide spectrum, ranging from help accessing healthcare and counselling, support with MSD and budgeting advice, obtaining a protection order and legal assistance, finding a place to live, helping to fund activities for tamariki, even meeting basic needs like food, clothing, and much more. Thanks to initiatives like this, we can continue to provide this wrap around service for every woman and child who reaches out for help.”

DR ANG JURY ONZM, CEO, WOMEN'S REFUGE.

PEOPLE PILLAR

VOLUNTEERING PROGRAM

This financial year, our paid volunteering program with Dress for Success continued and was open to our Retail team for the first time, in addition to our Australian Support teams. In FY24, we had a total of 102 of our Support team participating as a “working bee”. The volunteering team members unpacked donated items, cleaned displays, and sorted clothes racks to assist Dress for Success in their daily operations.

Though an evolution of our enterprise agreement in FY24, one day of paid community service leave per calendar year has been made available to eligible Australian retail store-based team members.

TEAM GENEROSITY AT FIJI CONFERENCE

For our Michael Hill International conference, which was held in Fiji this financial year, we invited our team members to bring with them items for donation to the Fiji Women’s Crisis Centre (FWCC), a charity supporting women with crisis centres across their country. FWCC provide 24-hour counselling and support services, community education, and centres to support women in vulnerable situations across Fiji.

The result was incredible with our team and suppliers donating hundreds of products ranging from bed sheets, children and babies clothing, women’s underwear, towels, diapers for adults and children plus more.

“Thank you very much Michael Hill for the gracious and huge support towards the Fiji Women’s Crisis Centre. The amount and quality of the items were overwhelming. The beneficiaries will be survivors of violence - mainly women, girls’, children and the elderly inclusive of people with disabilities and the LGB+ community. So vinaka vakalevu and best wishes and many blessings”

SHAMIMA ALI, COORDINATOR OF THE FIJI WOMEN’S CRISIS CENTRE (FWCC)



PEOPLE PILLAR

GREAT PLACE TO WORK

Everything at the Michael Hill Group originates with our people. We bring the customer experience to life by hiring the best and brightest talent. Our values of 'We Care', 'We Are Inclusive and Diverse', 'We are Professional', and 'We Create Outstanding Experiences' run through all of our people choices and practices, beginning with the attraction of a new team member and continuing throughout our people lifecycle. We welcome change and innovation where needed.

A HIGHLY ENGAGED CULTURE

At the Michael Hill Group, we strive to ensure our culture consistently drives the behaviours needed to deliver a remarkable experience to our customers. Our leaders are focused on value-adding activities to support the execution of the business strategy and objectives. Our internal communication platforms provide a comprehensive array of need-to-know information and insights that enhance collaboration, productivity, and engagement. They build trust in our workplace, improve knowledge sharing and empower and align our team.

Our positive and rewarding environment is enhanced by coaching and development activities that allow our team members to be confident and comfortable in delivering a premium service to customers, colleagues and all stakeholders. We are focused on delivering exceptional experiences through strong and consistent processes across the organisation as we elevate our Michael Hill brand and grow our Bevilles, Medley and TenSevenSeven brands.

Our people are our priority, and we are focused on responding to feedback, taking action, and making the changes necessary to ensure our engagement levels remain best in class and push our performance to new heights. The voices of our team are important to us. The FY24 'We're Listening' process included both an Engagement Survey and a Pulse Survey. We are proud to have scored 80% engagement for the 2023 Engagement Survey and 77% engagement for the 2024 Pulse Survey.

We continue to consistently meet global retail averages for engagement scores and participation rates of 85% for our 2023 Engagement Survey, and 76% participation with the addition of Bevilles into our 2024 Pulse Survey. These results showcase that Michael Hill Group is an exceptional employer of choice in the retail environment with a culture that is unparalleled.

ATTRACTING AND RETAINING THE BEST PEOPLE

In FY24, we continued to focus on building a strong employment brand, enabling an average time to fill vacant roles of 18 days. Our focus on retention and development of our current team is a priority for the Group, which new initiatives being implemented in the past financial year.

Diversity, equity and inclusion, wellbeing, sustainability and career development continue to be our key focuses to both attract and retain our team.

We continue to utilise leading edge recruitment techniques to ensure we meet the needs of the business and can quickly modify our approach based on business needs and the prevailing candidate market. We utilise psychometric testing, video interviewing and online reference checking to ensure we can support the business to fill roles quickly with quality talent.



PEOPLE PILLAR

We further enhanced our candidate experience by streamlining our Michael Hill Psychometric Assessment Matrix and provided personalised and instant feedback to the candidate, once they had completed their testing.

With the commencement of the Enterprise Agreement in Australia in late 2022, we have seen a consistent increase in the uptake of Paid Parental Leave for both Primary and Secondary carers, further embedding our 'We Care' culture and values across our team.

This year in Australia, we continued to grow our team member benefit portfolio by introducing the following: Endota Spa, HSBC Banking Solutions and Westpac Group (which includes Westpac, St George, Bank of Melbourne, and Bank of SA). Each of these new providers offers a diverse range of benefits to meet the various needs of our team members.

In Canada, we commenced a registered retirement savings plan allowing our team to contribute and offered a company-matching component to assist our managers to prepare for a comfortable retirement. We also welcomed the Royal Bank of Canada to assist team members with their financial wellbeing by offering benefits including banking advice, savings, and rewards across a variety of banking products.

Our commitment to our culture is reinforced further in renewed people practices throughout our People Cycle including performance management, 360-degree reviews and talent mapping. Our talent mapping strategies allow us to recognise our top talent for advancement and create development plans to retain and grow our teams and our leadership bench strength. We continue to use our new systemised talent mapping process to further streamline and simplify our processes, allowing greater visibility and transparency and more meaningful conversations to support decision making.

We know that one of the key success factors of high performing organisations is putting their people first. We are committed to investing in our people to develop their skills, expertise and careers and to create business value through the execution of business strategy.

OUR TEAM STATISTICS

As at the end of FY24, the **Michael Hill Group headcount was 2858** across our markets. A breakdown of people metrics is included below:

HEADCOUNT BY COUNTRY

COUNTRY	HEADCOUNT	%ALLOCATION
Australia	1881	66%
Canada	649	23%
New Zealand	328	11%
Grand Total	2858	100%

GENDER SPLIT

GENDER / PAY CLASS	HEADCOUNT	%ALLOCATION
Female	2426	85%
Casual	650	23%
Full Time	979	34%
Part Time	797	28%
Male	425	15%
Casual	51	2%
Full Time	322	11%
Part Time	52	2%
Unspecified	7	0%
Casual	2	0%
Full Time	2	0%
Part Time	3	0%
Grand Total	2858	100%

AGE DISTRIBUTION

AGE GROUP	HEADCOUNT	%ALLOCATION
<30	904	32%
30-50	1132	40%
>50	822	29%
Grand Total	2858	100%

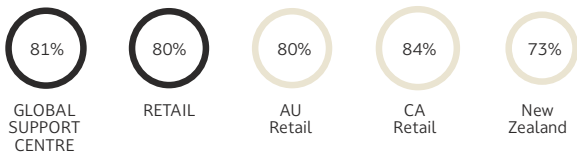
PEOPLE PILLAR

EMPLOYEE ENGAGEMENT

We pride ourselves on having a highly engaged and enabled workforce who love what they do and where they work.

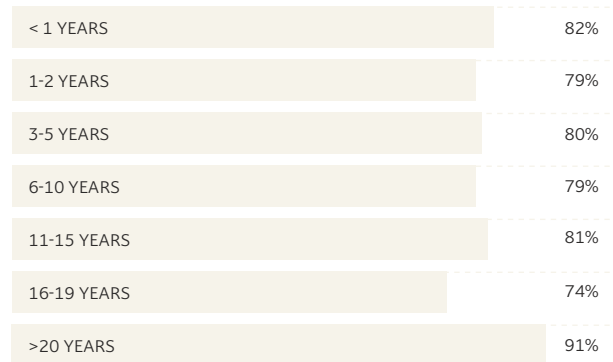
Our annual Engagement Survey was conducted in August 2023. In the last 12 months, we have faced a challenging market environment, but with a completion rate of 85%, our teams consistently demonstrated high engagement, achieving an impressive engagement score of 80%.

ENGAGEMENT SURVEY 2023



Our results also show that, across all tenure bands, we continue to perform positively against the global Retail averages.

ENGAGEMENT SCORES BY TENURE



SEASONAL CASUAL 2023-24 SURVEY



By measuring the engagement of our Seasonal Casuals, we were able to measure their experience as they are a key enabler of quarter two performance for the period of peak Christmas trade. The survey asked our seasonal casuals to consider our recruitment process, engagement, and onboarding experience. We were pleased to see that these seasonal team members were also highly engaged, with a score of 83%.



PEOPLE PILLAR

INVESTING IN OUR TEAM

At Michael Hill, our steadfast commitment to cultivating skills and enhancing capabilities is a cornerstone of our strategic vision to future-proof our workforce. In the realm of retail, we have diligently ingrained a culture of learning, ensuring that our team members receive continuous training that encompasses vital aspects, such as product knowledge, sales techniques, and exceptional service. Our resolute focus on learning extends further into leadership development, with comprehensive programs centred on retail operational leadership as well as holistic business and professional leadership.

Across FY24, we've had a deep focus on our Assistant Store Manager cohort across our retail teams. A top talent program has been launched with 39 of our most talented and high performing team members identified, to grow their leadership capability into the retail leadership space.

In tandem with these initiatives, LinkedIn Learning is offered to all Michael Hill team members, and stands as a pivotal resource, fostering an environment where every team member can proactively create personalised development and career plans to actively engage in a wealth of learning opportunities.

Our commitment to skill enrichment extends beyond the confines of our retail sphere. Our jeweller apprenticeship program and corporate internship initiatives, in partnership with esteemed Australian institutions such as TAFE Queensland, The Queensland University of Technology, and Griffith University, lay the foundation for nurturing young talent. In FY24, we were delighted to host six university interns across our IT, Medley and Marketing teams. These dynamic pathways not only infuse fresh perspectives but also ensure that our teams remain fortified and adaptable for the challenges and opportunities that lie ahead.

At the Michael Hill Group, our resolute dedication to building a skilled and empowered workforce is a testament to our enduring commitment to excellence and innovation.

DIVERSITY, EQUITY AND INCLUSION

The Michael Hill Group recognises its talented and diverse workforce as a key competitive advantage. Our business performance reflects the quality and skill of our people and behaviours that are aligned to our Group Values. We are firmly committed to developing policies, practices and ways of working that support diversity.

Our unwavering commitment to fostering diversity and inclusion at Michael Hill is a cornerstone of our organisational ethos. During October 2023, as part of the 'We're Listening' strategy, we conducted our second Diversity, Equity and Inclusion (DEI) Pulse Check. We received 1121 responses globally, which accounted for

47% of our workforce - an 11% increase compared to the previous year. The overall DEI score stood at 83%. Our diversity scores aligned with the 2023 data, marking an 84% rating, highlighting a 2% improvement compared to last year's inclusion scores, which were at 81%.

These invaluable insights serve as a compass, guiding our endeavours to create an environment where every team member feels a profound sense of belonging, experiences psychological safety, and perceives their voice as impactful. It is with great pride that we note the resounding success of our inclusion efforts, as evidenced by scores exceeding 83% in key areas such as open discussions of social and cultural backgrounds, fair treatment for all, the ability to advocate for diversity and inclusion without personal risk, and the commitment demonstrated by our managers in handling diversity matters adeptly.

The commendable themes that have emerged from our assessment accentuate our strengths in inclusive hiring practices, the harmonious integration of diverse cultures and backgrounds, and the steadfast cultivation of a welcoming and accepting workplaces for all. As we reflect on these achievements, we remain resolute in our dedication to furthering diversity and inclusion across every facet of the Michael Hill Group, ensuring a rich tapestry of perspectives and experiences that fuel our collective success.

GENDER EQUALITY

At the Michael Hill Group, we are committed to fostering a gender equal workplace and providing opportunities for women to thrive at all levels of the business. 85% of our global workforce is female, 50% of our Executive Leadership Team is female, and 64% of our global leadership positions are held by females. The prevalence of females in the workforce signifies a strong representation of talent and leadership among women. Embracing this diversity offers a range of perspectives and experiences, enhancing creativity and innovation within our company. Moreover, it signifies our company's dedication to creating equal opportunities for individuals of all genders, promoting a culture of empowerment and support for career development across the board.



PEOPLE PILLAR

DIVERSITY & INCLUSION INITIATIVES

The DEI Committee has played a pivotal role in orchestrating a series of impactful initiatives that reflect our unwavering commitment to diversity, equity, and inclusion. With a keen focus on education, awareness, and community engagement, the Committee has successfully orchestrated a range of global diversity calendar events throughout the year. These events, such as International Women's Day with the empowering theme #InvestInWomen, International Pride month in June, World Mental Health Day in October, and the International Day of People with Disability in December, serve as powerful platforms to foster understanding and advocate for an inclusive Michael Hill community.

In addition to these calendar events, the DEI Committee's influence extends through thought-provoking blog posts and podcast episodes on our Michael Hill DEI podcast 'Room for All'. These topics over the year have included: Matariki, Eid al-Adha, Thriving with Care, Living with Chronic Illnesses and Conditions. By using these avenues and allowing our teams to share, educate others, and celebrate important topics, this embodies the spirit of inclusivity by addressing pertinent issues and showcasing the vibrant tapestry of perspectives within our organisation. In 2024 we launched a DEI learning pathway for team members to gain a greater understanding of DEI topics including; Diversity Basics, How to Identify and Stop Using Ableist Language, How to be an Ally for Diversity and Inclusion, and Beyond PRIDE, all set to create a more accepting, more educated and open workforce.



HEALTH, SAFETY AND SECURITY

At Michael Hill, safeguarding the health, safety, wellbeing and security of our team members, customers and visitors remains our utmost priority. The past few years have presented numerous challenges, including the pandemic, rising youth crime rates, and ongoing cost of living pressures. Against this backdrop, Michael Hill continues to pave the way by embracing flexible work options, collaborating proactively with external stakeholders to establish industry-leading security measures, fortifying our infrastructure to deter criminal activity, and implementing assistance programs and benefit schemes that underscore the value we place on our team members at Michael Hill. As we forge ahead, fuelled by our ongoing growth, Michael Hill remains dedicated to expanding our knowledge, presence and approach to health, safety, wellbeing, and security.

Key achievements across the health, safety and security portfolio in FY24 include:

- Continued downward trends of lost time and significant incident rates. Lost Time Injury Frequency Rate down to 3.67 compared to 9.50 in FY 2018, and Significant Incident Frequency Rate down to 1.83 compared to 6.04 in FY 2018
- 11% of our workforce participated in our 6 week – 15 Minute Exercise Challenge
- Obtained an annual utilisation rate of 6.1% regarding our Employee Assistance Program (EAP) compared to an industry rate of 2.2%
- Ongoing upgrades of CCTV and / or intrusion alarm systems across our stores
- Installed fog cannons, dual pendant alarms, guarding and improved store fortification requirements across stores in New Zealand in response to the increased levels of crime and incidents.
- Rolled out Mental Health First Aid Training to 50 leaders across the business, and
- Completed our first Wellbeing Survey with results analysed and actioned.



PEOPLE PILLAR

LOCAL CRAFTSMANSHIP

At Michael Hill, the art of craftsmanship lies at the heart of our rich heritage, defining the essence of who we are. Our unwavering commitment to preserving and enhancing this tradition has driven us to continually evolve and refine our capabilities. Nestled across Brisbane, our home to a team of masterful artisans serves as the crucible where creativity meets skill.

In FY24, our dedication to craftsmanship continued our partnership with TAFE Queensland. Together, we have embarked on a transformative apprenticeship program, meticulously designed to nurture emerging talents in alignment with our values and honouring our deep-rooted belief in passing on the torch of artisanal excellence to the next generation.

In our relentless pursuit of excellence, we embrace not only the time-honoured techniques but also cutting-edge innovations in our craft. We recognise that true preservation lies in the fusion of tradition and technology. To this end, we have integrated state-of-the-art technologies and harnessed the power of modern expertise. Through strategic innovation, and nurturing the talents of tomorrow, we embark on a journey to safeguard our artisanal legacy.

LOCAL TEAMS FOR REPAIRS AND MANUFACTURING

In addition, we acquired a Brisbane-based jewellery repairs business in December 2023, now known as the Michael Hill Service Centre. The acquisition of this business has helped to boost our support of local craftspeople with expertise in jewellery repairs, having performed dedicated repairs for Michael Hill for several years. Retaining the art of jewellery crafting and repairs through a talented network of people is very close to Michael Hill's core values – which has focussed on craftsmanship since the creation of the brand.

WORKING WITH LOCAL JEWELLERS

Throughout the financial year, we have engaged closely with our jeweller partners across Australia, New Zealand and Canada. Our engagement with local jewellers has helped us deliver a range of jewellery repair services through both the Michael Hill and Bevilles brands. At the end of the financial year, we have formalised relationships with 18 jewellers across the three countries. Each of these jewellers comprise small-to-medium business that have been carefully selected based on their capabilities, quality of workmanship, communication with our retail team and commitment to our brands. We are proud to support jewellers in both major cities and regional areas, from Vancouver to Toowoomba and we remain dedicated to keeping the art of jewellery crafting alive in the countries in which we operate.



MICHAEL HILL
INTERNATIONAL LIMITED