

QUAY

Modern Slavery Statement

1 January 2023 - 31 December 2023

1. INTRODUCTION

Quay remains committed to playing its part in eliminating modern slavery and mitigating the risk of its existence in our supply chain. Our core values drive us to ensure that everyone involved in our business and supply chain is treated with fairness, integrity, and dignity.

We have made strides in strengthening our supply chain, proactively identifying and addressing the risks associated with modern slavery. Our dedication remains unwavering as we pursue continuous improvement, advancing our strategies and reinforcing our commitment to human rights and ethical practices throughout all our operations

This modern slavery statement (**Statement**) has been prepared by Quay for the reporting period 1 January 2023 - 31 December 2023 in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) (**Act**).

Signed by

A handwritten signature in black ink that reads "Katherine Cousins". The signature is written in a cursive style with a long horizontal flourish at the end.

Katherine Cousins
Chief Executive Officer

2. OUR STRUCTURE

Quayeyeware Pty Ltd (ACN 118 078 274) (**Quay**) is an Australian private company and has the following wholly owned subsidiaries:

- Quay Eyeware, Inc., which is incorporated in the State of California in the United States of America; and
- Quay Eyeware Limited, which is incorporated in England and Wales.

Quay and its subsidiaries employ approximately 300 employees with the majority of them based in the United States of America and the rest located in Australia.

This statement is made on behalf of Quay and its subsidiaries. In this document, unless otherwise apparent from context, references to 'Quay', 'we' or 'us' are to Quay's corporate group collectively.

3. BUSINESS AND OPERATIONS

Quay is an eyewear and fashion accessories business. Sales of sunglasses generate the majority of our revenue. The balance is from sales of optical frames and accessories, such as eyewear cases and organisers.

Our products are sold through online, wholesale and retail channels, including via:

- 26 company owned retail stores in the USA;
- digital channels via our websites; and
- wholesale clients such as distributors and third-party retailers.

Quay's head office is in San Francisco, while our corporate registered office is in Sydney. We have operations in:

- Australia, where we utilise a third party logistics provider to facilitate the distribution of our products to Australian customers;
- United States of America, where our leadership team is based and we undertake management decisions, product design and marketing, operate retail stores and sell products to our North American customers;
- United Kingdom, where we utilise a third party logistics provider to facilitate the distribution of our products to European customers; and
- China, where our team undertakes local procurement activities.

Our supply chain is predominantly managed out of the USA on behalf of the Quay corporate group via our Product, Procurement, Compliance and Supply Chain teams who undertake due diligence and risk assessments on our suppliers.

4. SUPPLY CHAINS

Quay's suppliers comprise less than ten Tier 1 suppliers and include:

- manufacturers of sunglasses and accessories based in China and Vietnam;
- wholesale suppliers of finished products based in the USA, United Kingdom, European Union, and Australia; and
- professional service providers predominantly based in USA, United Kingdom and Australia.

Our manufacturers operate in jurisdictions with an inherently higher modern slavery risk due to their geographical location and the labour related nature of the services.

5. RISKS OF MODERN SLAVERY

No specific instances of modern slavery were identified in our operations or supply chains over the reporting period. However, we acknowledge that the risks of modern slavery may be heightened in some of our supply chains and operations. These heightened risks are as a result of various factors including the geographical location of some manufacturers and the nature of the sector Quay operates within. Some key risks are outlined below.

Quay's operational footprint means that its manufacturers may be located in countries where modern slavery is more prevalent. The manufacture of eyewear in jurisdictions such as China and Vietnam is susceptible to lower paid labour, short lead times and pressures to ensure productivity, therefore exposing our industry to labour and modern slavery risks.

Quay recognises that the manufacture of eyewear generally also carries risks. Production may involve reliance on low skill and migrant workers, and manufacturers may engage second level suppliers or obtain source materials in or from countries where modern slavery is more prevalent. Quay recognises that it has limited visibility over secondary levels of our chain of suppliers and the source materials used in our group's products. The risk of manufacturers engaging second level suppliers increases the risk of low skill and migrant workers being engaged in the production of Quay's eyewear.

To help address these risks, we have developed and adhere to frameworks for engaging with our manufacturers using a robust procurement process with auditing procedures and regular compliance programs. We continually monitor and audit our supplier relationships and sourcing arrangements to ensure modern slavery does not exist in our supply chain.

6. MITIGATION OF MODERN SLAVERY RISKS

6.1 Summary

Quay understands that a commitment to mitigating modern slavery risks involves dedicating time and resources on an ongoing basis. In particular, we have in place systems to:

- regularly map our supplier relationships and undertake risk assessments via due diligence questionnaires, risk mapping exercises and direct engagement with our suppliers;
- monitor potential risk areas in our supply chains through independent audits, which includes physical site visits and review of supply agreements;
- provide a framework for reporting potential or actual incidents of modern slavery in our operations and supply chains; and
- provide appropriate remediation avenues where actual incidents of modern slavery occur.

6.2 Due diligence

Prior to engaging with any potential supplier, Quay's Procurement team conducts an initial screening of that potential supplier to identify any risks of exposure to modern slavery. We further continue to conduct ongoing risk assessments to maintain the currency of those assessments with our suppliers throughout the term of their engagement with Quay.

We use the results of our risk mapping and risk assessment exercises to guide the actions we take to mitigate these risks as outlined in this section.

6.3 Supplier adherence

As part of our anti-slavery initiatives, we ensure all those in our supply chain comply with our ethics by not only communicating our performance expectations and ethics to our suppliers but undertaking the following:

- engaging with our suppliers on a regular basis to monitor performance and potential for modern slavery issues; and

- where practicable, including a contractual obligation on our suppliers to commit to an anti-slavery policy.

6.4 **Training**

To ensure a high level of understanding of the risks of modern slavery in our supply chain and our business, we provide training to our staff on modern slavery awareness and how to address any perceived modern slavery risks within our business. Our Code of Conduct policy includes training of our employees on modern slavery awareness.

6.5 **Reporting policy and response plan**

Quay has progressed its commitment to addressing modern slavery risks by implementing measures for mandatory reporting and responses as outlined in our Anti-Slavery Policy.

In terms of the governance structure of reporting, all employees, contractors and personnel have a responsibility to identify and report modern slavery risks to the relevant representatives from Quay's Human Resources and Procurement teams. Where a potential incident is brought to the attention of our representatives, they will consider the modern slavery risk in the first instance and assess whether it should be escalated to the Chief Compliance Officer.

The Chief Compliance Officer is responsible for further investigation of potential, or actual, incidents of modern slavery within Quay's operations and supply chains and for determining whether referral is required to the board of directors. To the extent that matters can be resolved by the Chief Compliance Officer, the Chief Compliance Officer will put in place actions to address the risks. Ultimately, the board of directors will take action where the Chief Compliance Officer cannot or does not.

Quay received no modern slavery related reporting through during the reporting period.

6.6 **Remediation**

Following confirmation of an incident or risk of modern slavery, systematic and immediate action is required to be taken. If our investigative processes determine an issue of non-compliance with our policies by one of our suppliers, we will endeavour to have our business supplier identify and correct those issues. If it is apparent that an individual has suffered harm as a result of such issue, we will seek to ensure that they are addressed by leveraging our supplier relationship.

In the event of a breach of our Anti-Slavery Policy, we may subject the supplier to review and potentially terminate our relationship with the supplier. Where any Quay personnel breaches the Anti-Slavery Policy, they will be subject to disciplinary action.

In the event that Quay caused or contributed to the risk, we will re-assess our internal measures to better mitigate any potential risks in the future and remedy any actual impact as appropriate.

7. **EFFECTIVENESS**

Quay has continued to develop and invest in ensuring modern slavery risks are adequately assessed and addressed within our operations and supply chains. During the reporting period, Quay has completed the following in line with the objectives and milestones set in our last modern slavery statement:

- we audit our suppliers through either our internal team to identify and address any modern slavery risks in our supply chain;
- we use an engagement channel for regular feedback on the effectiveness of our modern slavery mitigation strategies leading to regular consultation between our Human Resources, Procurement and Finance teams;
- we conduct physical site visits to our third party logistic warehouses;
- we raise awareness of modern slavery risks through knowledge sharing with our team and regularly updating our Code of Conduct training to incorporate education on modern slavery;

- we implement our Anti-Slavery Policy; and
- we track the responsiveness of our suppliers to our requirements and their awareness of modern slavery risk in their supply chain;
- we partner with an external auditor to undertake independent reviews of suppliers; and
- we have a framework for reporting of modern slavery risks and will record any cases and how they are handled if they arise.

8. CONSULTATION

During the reporting period, Quay actively engaged and consulted with all companies it owns or controls in preparing this statement. This included liaising with the board of directors and senior leadership team of the Quay corporate group, disseminating modern slavery resources and information to Quay personnel and suppliers, engaging with our external auditors and advisers and taking on board feedback from these stakeholders to ensure we strengthen our practices to minimise modern slavery risk.

9. APPROVAL

This Statement is made by Quay for the year ending 31 December 2023. This Statement has been reviewed and approved by the board of directors of Quay on behalf of itself and its subsidiaries, for the purposes of Section 16(2)(a) of the Act. Entities owned or controlled by Quay have been consulted and approved this statement.

Signed by



Myles McCormick
Director
Quayeware Pty Ltd

Date: 8 August 2024