

MCoBeauty.

Modern Slavery Statement

2024

1. Introduction

This Modern Slavery Statement (**Statement**) is made by MCo Beauty Pty Ltd (ACN 631 344 780) (MCo Beauty, **we, us** or **our**) in accordance with its obligations under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**). This Statement is made for the period of 1 July 2023 until 30 June 2024 and is our first as a mandatory reporting entity under the Modern Slavery Act.

This Statement sets out our ongoing commitment and efforts to mitigate and manage modern slavery within our business, operations, structure and when engaging with third-party suppliers.

2. Structure, Operations & Supply Chains

a. Structure

MCo Beauty Pty Ltd is an Australian private company, and is the holding company of:

1. MCo Beauty Inc., which is incorporated in the United States and sells into the United States market; and
2. ModelCo Pty Ltd, which is incorporated in Australia and sells a small portfolio of cosmetic products.

b. Operations

MCo Beauty develops beauty, cosmetics and skincare products with manufacturers located throughout the world. These products are produced by those manufacturers and then transported to our third-party fulfilment partners in Australia, New Zealand and the United States. From there, products are sold to distributors and retailers or sold online directly to consumers.

c. Supply Chains

We buy almost exclusively finished goods from third party suppliers, with a small percentage of purchases of separate components, packaging and compounds or formula and fill. The purchase of finished goods is supplemented by purchases of retail point-of-sale displays and furnishings, as well as consumables. The suppliers of our finished goods source materials. Packaging components like plastic, glass, paper and cardboard are also sourced by contract suppliers through third parties.

Our suppliers are based primarily in:

- China
- Korea
- Taiwan ROC
- Australia

International freight is managed by our freight forward partners. Warehousing and distribution is managed in-market by third-party logistics providers (3PL).

MCo Beauty is committed to operating our business within a legal and ethical environment that upholds its reputation as a company committed to working with integrity alongside Australian and global suppliers that are aligned to our values.

MCO Beauty expects all of its suppliers to operate in accordance with all applicable modern slavery laws including those prohibiting human slavery and slavery like practices, human trafficking and child labour. We value and observe all laws regarding corporate social responsibility, environmental and workplace safety protection and staff inclusion and diversity.

3. Risks of Modern Slavery Practices

a. Operations within MCo Beauty

Our operations present a low-risk of modern slavery as our employees execute various operational and commercial functions across the business. We have human resources policies and procedures in place, and we are required to comply with stringent employment laws that impose minimum employment protections, including the *Fair Work Act 2009* (Cth).

We are committed to ensuring that all our workers, regardless of their immigration status or ethnicity, are treated fairly and ethically. We do not engage in practices that could exploit the potential vulnerabilities of migrant workers, such as withholding passports, charging recruitment fees or imposing unreasonable restrictions on movement. Our employment practices are designed to protect all workers' rights and dignity.

MCo Beauty will increase awareness of modern slavery through communications to our employees to ensure all understand potential risks and are able to identify and raise concerns relating to modern slavery risks in our organisation and supply chains. All employees are now required to complete a mandatory Modern Slavery training module during the onboarding process. This is designed to generate awareness and assist employees in understanding the ways in which modern slavery risks may eventuate within our operations and supply chain.

b. Supply Chains

We engage with suppliers and manufactures domestically and globally. Our exposure to the risk of labour exploitation is heightened in countries where we do not have clear visibility to the operations of suppliers and manufacturers, and where human rights are afforded lower protections. We acknowledge our responsibility to be aware of modern slavery and human trafficking risks within these supply chains and endeavour to uphold human rights in all our business activities.

While we take steps to mitigate modern slavery in our supply chain (as discussed below), we recognise that supply chains located outside of Australia present a greater risk of modern slavery occurring. These risks mean that we will remain vigilant and proactive in our supply chain management.

Modern slavery risk mitigation is handled by our Head of Global Supply Chain, with support from our legal and human resource functions. We are supported in our modern slavery risk mitigation by the utilisation of SEDEX.

Our subsidiaries have the same supply chain model.

4. Actions Taken to Address Risks

MCo Beauty has put in place the following measures to address modern slavery risks:

- a Whistleblower Policy that provides an avenue for employees to report any issues they become aware of;
- requested that all our key suppliers join SEDEX, connect with our account, and complete the self-assessment questionnaire;
- initiated a review of all current suppliers;
- a Supplier Code of Conduct with our suppliers; and
- updated our contracts with suppliers to impose obligations that help to avoid modern slavery and reduce modern slavery-related risks.

We acknowledge that there are heightened risks of modern slavery within our manufacturing operations in countries such as China where traceability and transparency are less apparent. All suppliers are required to adhere to a Code of Conduct that acknowledges their obligations to maintain ethical working standards. As such, we are confident that the procedures we have taken will help to assess and manage these risks whilst we continue to implement ongoing improvements that can further contribute to risk reduction.

If we were to identify reports of modern slavery in our supply chain, we would take these reports very seriously and commence a thorough and in-depth investigation of the complaint and any identified supplier to address and resolve any such reports as quickly as possible.

Internally, we have policies and procedures that support our staff in raising concerns about modern slavery. In addition, our ongoing vendor review program will help capture supplier information that will assist in modern slavery risk assessments. Our mandatory Supplier Code will further inform suppliers of our standards and expectations of modern slavery policies of each entity within our supply channel.

5. Effectiveness of Our Actions

Modern slavery is a complex issue that requires a multilateral response with ongoing input and collaboration with stakeholders and suppliers. MCo Beauty remains focused on building awareness and developing strategies to address modern slavery risk in our supply chain via the program of work noted within this Statement. These strategies are reviewed at management level and assessed regularly to determine its effectiveness and requirements for modification and continuous improvement.

Throughout this reporting period, our primary objective was to further enhance our understanding of potential modern slavery risks within our operations and supply chains which we are continuing to assess. We are establishing diligent processes and increasing visibility of our high-risk business operations to enable us to continue to identify and mitigate modern slavery risks across our operations and supply chains.

6. Consultation with Associated Entities

During the reporting period this Statement covers, we actively engaged and consulted with all companies we own or control in the development of this Statement. We discussed details of the Modern Slavery Act's reporting requirements; information regarding the actions we intend to take to address these requirements; asked them to contribute to our internal due diligence questionnaire; and provided them with relevant materials and updates.

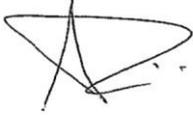
7. FY2025 Goals

During the next reporting period, we will conduct training on modern slavery, and all staff will undergo annual refresher training on an ongoing basis. This will help to improve our internal processes to ensure accountability for our reporting entity obligations moving forward, and strengthen our internal knowledge of modern slavery risks and processes for addressing potential grievances. As part of the recent acquisition of MCo Beauty by DBG Health Group, MCo Beauty policies and practices will be further amended to be in line with DBG Health Group Global Environmental, Social and Governance Policies.

We will continue to ensure that all of our suppliers sign contracts with us that impose obligations in relation to avoiding modern slavery in their operations, and require them to comply with our Supplier Code of Conduct. We will also continue with our SEDEX onboarding and any additional assessment processes as required for new suppliers. This will help us to increase visibility of the risks within our supply chains and ensure ongoing compliance with the Modern Slavery Act.

Approval

This Statement was approved by the Board of MCo Beauty Pty Ltd (ACN 631 344 780)

A handwritten signature in black ink, appearing to be 'Alexander Mellis', written over a faint, light-colored grid or background.

Alexander Mellis
Chief Executive Officer and Director
MCo Beauty Pty Ltd