



THE ICONIC

Modern Slavery Statement

2022

Acknowledgement of Country

In the spirit of reconciliation, THE ICONIC acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respects to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Introduction

This Modern Slavery Statement is published by Internet Services Australia 1 Pty Limited (THE ICONIC) in accordance with its obligations under the Modern Slavery Act 2018 (Cth) for the financial reporting period 1 January 2022 – 31 December 2022 (inclusive).

THE ICONIC is a wholly-owned subsidiary of parent company Global Fashion Group S.A., (GFG) which is headquartered in Luxembourg and listed on the Frankfurt Stock Exchange.

This Statement sets out the actions taken by THE ICONIC in 2022 in identifying and addressing risks of modern slavery in its operations and supply chain, as well as the effectiveness of those actions.

This Modern Slavery Statement has been reviewed and approved by the directors of THE ICONIC.

30 June 2023

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CEO Statement

At THE ICONIC we believe that everyone who works with us, directly or indirectly, should be treated fairly and with respect. As such, we have a zero tolerance approach to modern slavery and as our business expands, we have an increased focus on improving working conditions for our employees and those within our supply chain. We are committed to continuing the progress we have made and we are proud to present our third Modern Slavery Statement, which provides an update on our progress and outlines our ambitions ahead.

This Statement is an important part of our commitment to transparency and highlights the action we are taking to identify and address modern slavery risks across our operations and supply chain. Together with our industry stakeholders and partners, we are committed to driving tangible and meaningful change, and we are resolute in our dedication to supporting greater industry understanding of the complex issue at hand.

In 2022, we launched our People and Planet Positive Strategy in collaboration with our parent

company, Global Fashion Group. Our strategy outlines our commitments to environmental and social responsibility, and sets out our vision to create a more sustainable and equitable future. Our strategy is aligned with the United Nations' Sustainable Development Goals, with Fair and Ethical Sourcing one of five key focus areas as we continue to prioritise decent working conditions and human rights.

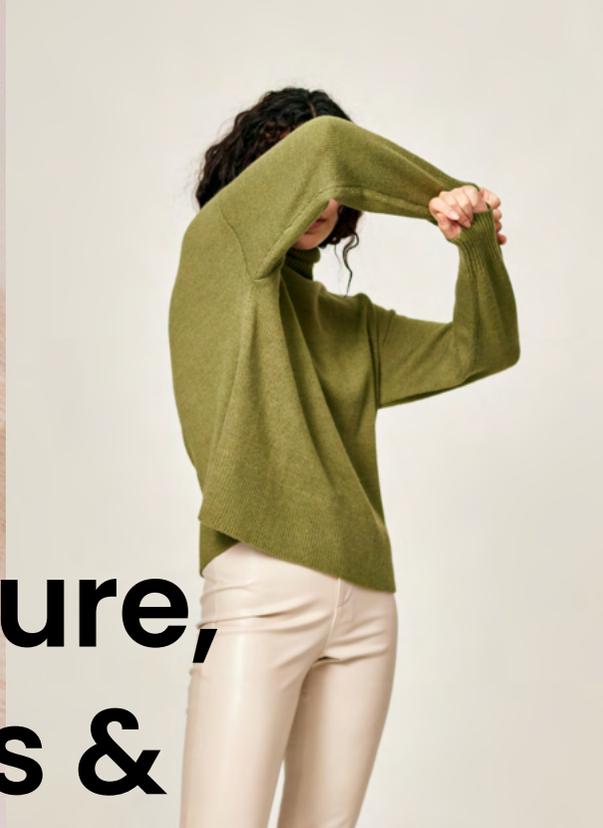
We remain committed to ensuring that our business operates with integrity, respect, and transparency, and we continue to dream big on all that we do. We recognise that there is still much work to be done and that we cannot achieve our goals in isolation. It requires sustained effort and collaboration, and I would like to thank our employees, partners, and industry stakeholders for their ongoing support as together we work towards a more equitable and sustainable future.

A handwritten signature in black ink that reads "Erica Berchtold". The signature is written in a cursive, flowing style.

Erica Berchtold
CEO of THE ICONIC

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**Our structure,
operations &
supply chain**



About THE ICONIC

Launched in 2011, THE ICONIC is Australia and New Zealand's leading platform for fashion, sport, beauty and lifestyle. With a curation of over 2,400 global and local brands, 2022 saw 21.6 million monthly visits to THE ICONIC website, with over 6.7 million orders delivered to customers in Australia and New Zealand.



Our holistic approach to sustainability saw us continuing our ambitious journey to be People and Planet Positive and progress a range of initiatives including: working to lower our carbon emissions in line with our carbon management plan; launching an option to shop pre-loved fashion; and continuing to encourage resale of purchases via our partnership with Australian-owned second hand marketplace, AirRobe.

We are focussed on implementing worker-centric initiatives such as responsible purchasing practices and grievance mechanisms. We are deepening our commitment to reconciliation with Australia's First Peoples through the launch of our Indigenous Engagement Strategy, and increasing our support of

the First Nations fashion ecosystem with our partnership with First Nations Fashion + Design. These are all a reflection of the ongoing maturation of both our business and our ambition to lower the social and environmental impacts of the retail industry.

Our culture

Fostering our 'Speak Up!' culture plays a vital role in upholding our ethical principles and creating an environment of transparency and sincerity. This initiative supports an expectation across the company to communicate honestly and provides a safe and reliable channel for our team members to report any concerns or issues they may encounter. The formats and functions of Speak Up! are addressed in the relevant sections.

About Global Fashion Group

THE ICONIC is part of Global Fashion Group (GFG), a leading fashion and lifestyle destination across 13 countries and three main regions: LATAM (Dafiti), SEA (ZALORA) and ANZ (THE ICONIC). We offer customers a seamless, one-stop shopping experience via our inspiring platforms with a broad and relevant assortment. GFG connects a population of more than 800 million people with thousands of brands on its three well-established ecommerce platforms. As a global business with deep local roots, diversity is at the heart of everything we do and gives real meaning to our purpose of True Self-Expression.

A snapshot

1198

employees

703

agency staff

2400

third party brands

6.7m

orders per year

21.6m

site visits per month

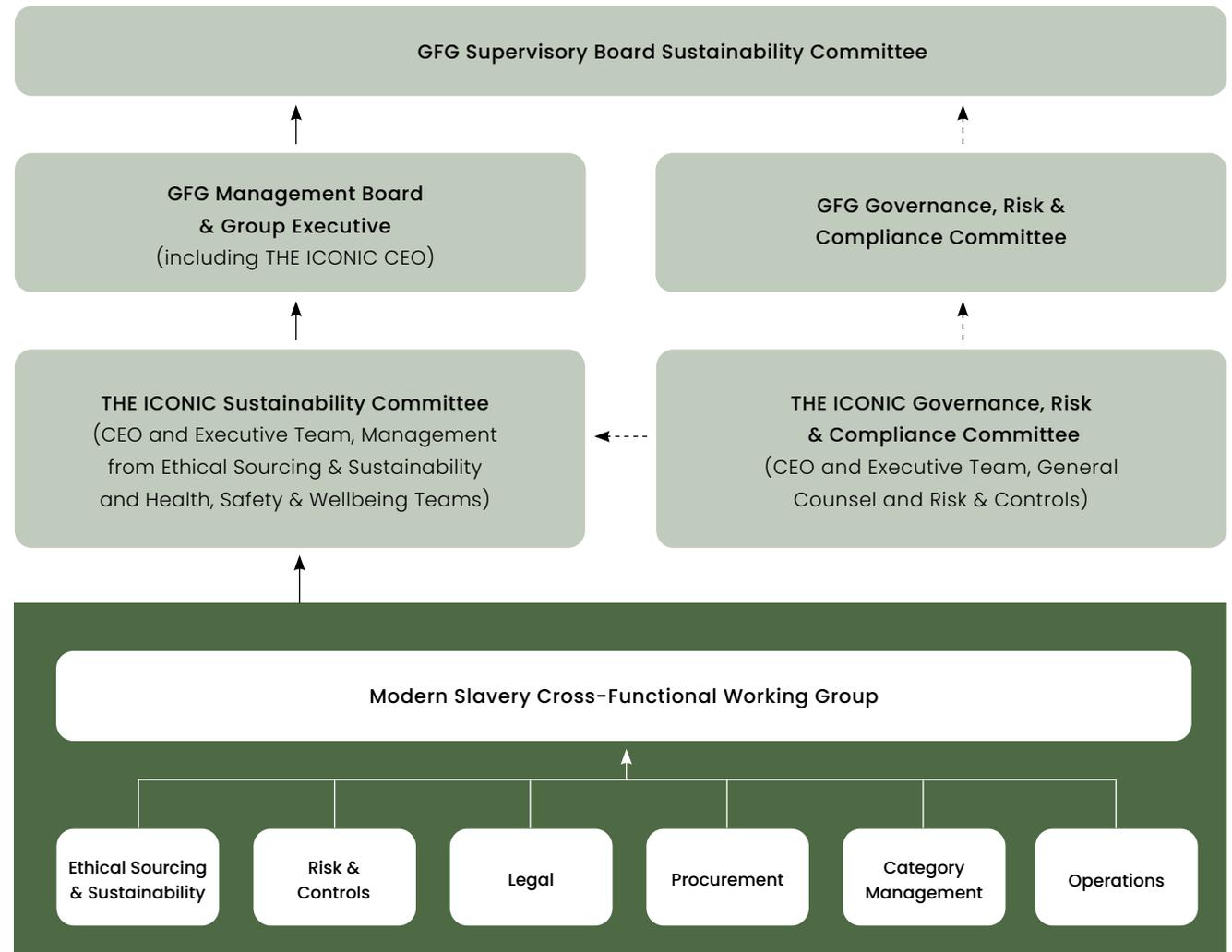
Our structure & operations

Headquartered in New South Wales, Australia, THE ICONIC's operations function across four Sydney-based locations: the CBD Head Office, our E-commerce Production Hub and our two Operations and Fulfilment Centres. As of 31 December 2022, we directly employed 1,198 people, including both permanent employees and casuals, throughout these four hubs across six different business areas including: Commercial and Sustainability, Finance, Customer, Operations, People & Culture and Technology.

In addition to those THE ICONIC directly employs, we engage employees indirectly via agency and/or labour hire solutions to perform work at our Fulfilment Centre. In 2022 we engaged 703 agency staff. We also have 151 dedicated Customer Support, IT Helpdesk, Production Content and Finance staff located in Manila, Philippines. These employees are contracted through our sister company ZALORA via an arm's-length intra-company services agreement.

Cross-functional collaboration continues to be an important part of THE ICONIC's DNA and our Modern Slavery Cross Functional Working Group remains in place to direct the governance and progress of our active modern slavery risk management.

THE ICONIC Modern Slavery governance structure



- Key line of responsibility & accountability
- -> Consulted & informed as part of overall Enterprise Risk Management

Our product supply chain

Our product supply chain consists of global and local Third Party Brands, as well as our Own Brands. As our diverse supplier base matures and becomes more complex, our level of responsibility to manage our social and environmental risks is increasing.

Third Party Brands

THE ICONIC retails over 2,400 global and local Third Party Brands with products sourced from brand partners via three business models:

- **Retail**, where products sold to customers are owned by THE ICONIC;
- **Marketplace**, where brand partners list their products on

- our shopping platforms; and
- **Consignment Model**.

THE ICONIC Own Brands

As at 31 December 2022, our Own Brand business comprises 14 brands across apparel, footwear, accessories and home categories. We work both via agents and direct to factory to manufacture our products via a global supply chain, with designs developed in our Sydney Head Office as well as in collaboration with our supplier partners and GFG sourcing function.

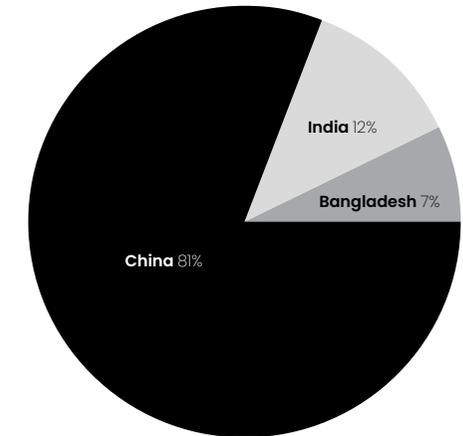
We partner closely with independently owned factories based in China (81%), India (12%) and Bangladesh (7%) to produce our Own

Brands. Our factory list is published on our [website](#) and the [Open Supply Hub](#), and is updated monthly. The factories we work with collectively employ 9,494 people, 22% of whom are domestic migrant workers.

Our non-trade supply chain

Our non-trade supply chain provides goods and services in categories such as logistics, international freight forwarding, marketing, labour hire and cleaning, and while it is a small part of our overall spend, we know we have a responsibility to ensure that we manage the associated social and environmental risks as with our product supply chain.

Own Brand sourcing factories by country



Our Own Brands

Atmos&Here

Atmos&Here
CURVE

Atmos&Here
MATERNITY

A E R E

A E R E
HOME

A E R E
mini

dazie


Double Oak Mills
CLOTHIERS AND TAILORS

endless

EVERLOOM

LOVER

minima
esenciales

Spurr

STAPLE SUPERIOR



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**Identifying &
addressing risks
in our operations
& supply chain**

Our approach to people & the planet

Our sustainability ambitions are outlined in our 2030 People and Planet Positive Strategy with Fair and Ethical Sourcing a key pillar, underpinning our commitment to ensuring decent working conditions and human rights are upheld throughout our supply chain. This program of work includes going beyond compliance to enable dignity and empowerment for all the people who make our products. It recognises that our scale means that our buying behaviour is a vote for the world we want and every purchase impacts the people who make our products. We are committed to listening when workers speak,

and providing training to improve understanding of their rights and ways to voice them.

We're upskilling our team in ethical trade, supply chain traceability and responsible purchasing practices, while supporting our suppliers' and partners' capabilities. Increasing transparency is key to enabling the measurement of our impact so we are building stronger supply chain relationships, and getting on the ground to understand and improve conditions.

We maintain zero tolerance to modern slavery and labour abuses, and defend fundamental human rights.

Fair & ethical sourcing focus areas

 Fundamental Human Rights & Decent Work	 Responsible Purchasing Practices
 Traceability	 Living Wages
 Worker Dialogue & Collective Bargaining	 Community Engagement in Our Supply Chain

Enterprise-wide modern slavery risk assessment

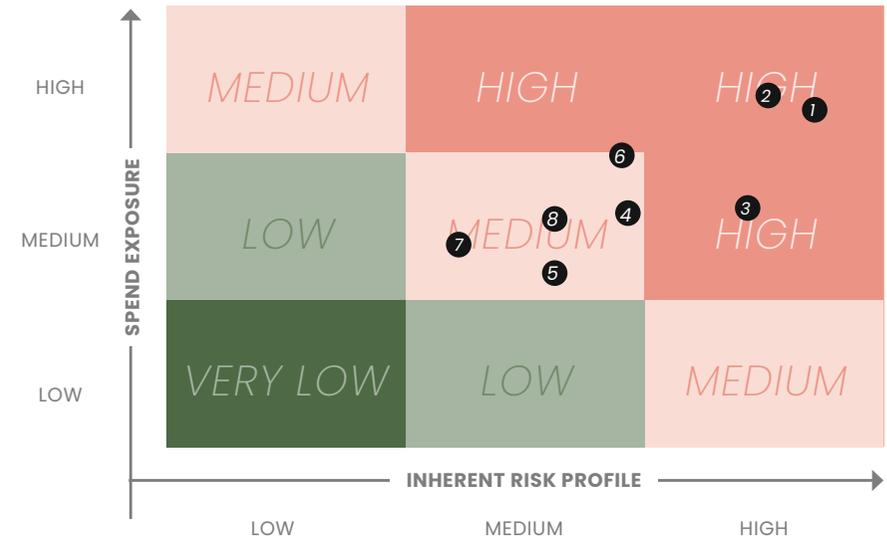
THE ICONIC assesses the risks of modern slavery in our operations and supply chain via our annual enterprise-wide Modern Slavery Risk Assessment, which profiles eight areas of our business with inherent risks of modern slavery. The risks identified in this annual assessment include our exposure to the garment, textile and electronics industries as well as our use of temporary and migrant labour. Based on the known inherent risks in these industries, we recognise that it is likely that we are directly linked to modern slavery situations. We have therefore taken a number of actions to prevent and mitigate these risks in alignment with the UN Guiding Principles, including the implementation of our Modern Slavery Action Plan, which is governed by our Modern Slavery Cross Functional Working Group and ensures a business-wide approach to risk identification and management.

In 2022, our Modern Slavery Risk

Assessment identified that our Own Brand and Third Party Brand supply chains continue to pose the most salient risks of modern slavery, despite increasing risk controls year on year. Transparency and visibility of working conditions in fashion supply chains is an industry-wide issue and requires long-term strategies to see improvement, which is why our response to addressing the modern slavery risks in our product supply chains forms a key priority within our 2030 [People and Planet Positive strategy](#).

Twenty twenty-two saw an increase in the due diligence and controls to manage the inherent risks associated with engaging labour hire providers, labour services such as cleaning, and logistics providers. This resulted in a downgrade in the risk profile of these business areas, will provide opportunities to manage risks as they arise in these areas, regardless of business or operational changes.

2022 Modern Slavery Enterprise Risk Profile



No.	Risk
1	Own Brand Supply Chain
2	Third Party Brand Supply Chain
3	Marketplace Brand Supply Chain
4	Labour Hire Arrangements
5	Other Employment Arrangements
6	Ops Logistics and Transport
7	Indirect Spend - Products
8	Indirect Spend - Services

Country risk assessment

In 2022 we once again undertook a Country Risk Assessment to reflect and acknowledge the risks present in different countries from which we knowingly source our Own Brands. The risk assessment rated countries against eight criteria, using publicly available global resources¹ including the Corruption Perceptions Index and Global Conflict Tracker.

In 2022 our known sourcing exposure across our Own Brand supply chain tiers one through four included India, Vietnam, Bangladesh and Turkey, all of which were rated critical, and China and Kyrgyzstan, which rated moderate. Addressing the risks in these countries is managed through our Modern Slavery Action Plan and initiatives outlined throughout this statement.

THE ICONIC Supply Chain Tiers

Tier	Definition	Processes Completed			Social audit required
Tier 1	Production sites completing final stage manufacturing of orders	 CUTTING	 SEWING & FINISHING	 PACKING & SHIPPING	YES
Tier 2	Sites completing <u>one or more</u> (parts) of the final stage manufacturing process	 CUTTING	 STITCHING	 PACKING  STORAGE	YES
Tier 3	Sites completing enhancements to product	 PRINTING & DYEING	 EMBROIDERY	 WASHING	NO
Tier 4	Fabric and components manufacturers	 FABRIC MILLS	 TANNERY	 HARDWARE & TRIMS	NO
Tier 5	Raw materials processing	 COTTON FARMS	 SYNTHETIC EXTRACTION		NO

Own Brand sourcing country risk assessment

Country	2022 Internal Risk Rating	Child Labour Risks	Forced Labour Risks	Bonded Labour Risks
China	Moderate		 Cotton	
India	Critical		 Cotton	
Bangladesh	Critical		 Garment	
Vietnam (materials)	Critical			
Turkey (materials)	Critical	 Textiles	 Textiles	
Kyrgyzstan (materials)	Moderate		 Cotton	 Cotton

¹2022 Rule of Law Index - [World Justice Project](#); Global Conflict Tracker 2022 - [the Council on Foreign Relations](#); Poverty headcount ratio at national poverty lines (% of population) - [World Bank](#); Corruption Perceptions Index 2021 - [Transparency International](#); 2022 list of goods produced using child or forced labour - [Bureau of International Labour Affairs, US Dept of Labour](#); 2022 ITUC Global Rights Index, depicting the degree of respect for workers' rights in each country - [ITUC Global Rights Index](#)

Policies and governance

To ensure that we comply with relevant legislation and industry codes, our onboarding process and regular training are accompanied by robust reporting processes and a suite of policy controls relevant to modern slavery risk management across the Group. These apply to staff, contractors and suppliers.

In 2022 we took steps to improve our policies and procedures to ensure best practice worker-centric measures are in place. Our Supplier Code of Conduct is aligned with international measures and regulations, including the International Labour Organisation's fundamental Conventions, and the Base Code of the Ethical Trading Initiative (ETI).

The update to our Supplier Code of Conduct included the following additions:

- More granular detail of the types of suppliers the Supplier Code of Conduct applies to;
- The interface of the Supplier Code of Conduct with local and international law and other international normative standards;
- Inclusion of the types of prohibited modern slavery;
- Reference to our strategy

commitments relevant to wages and grievances;

- Specifying that a trained person shall be made responsible for Health & Safety (H&S) and specifying requirements about building safety;
- More detailed expectations of remediation, the consequences of non-engagement and requirement for information about the place of manufacture; and
- Subcontracting requirements.

The development of policies is an important part of our risk management and governance model, and the implementation of these policies is a critical measure of effectiveness. We are committed to developing policies that are relevant to our supply chain and operations and will drive effective change through implementation.

We also continue to provide training and improve on the controls and programs we have in place in all areas of our business to ensure the provisions of these policies are implemented.

By way of update, the Homeworker Policy we committed to develop in our 2021 Modern Slavery Statement

was deprioritised based on a lack of identification of any homeworkers in our supply chain and will be reprioritised should this change in the future.

Mandatory annual training continued in 2022 for all employees including senior leadership and executives, as well as employees on fixed term contracts to ensure there is an understanding of modern slavery and its forms, and how each individual's responsibility to identify and respond to modern slavery risks in their role contributes to our company's response to combating the issue.

For suppliers of labour service providers, our Guiding Principles for Recruitment & Employment of Labour Services Provider Staff were presented in line with our Labour Service Providers Due Diligence framework, to further support them and ensure the ongoing management of risks. Branded and Own Brand suppliers were also presented with training providing information on modern slavery risk indicators, best-practice due diligence and risk management, and modern slavery laws.

Internal policies (including GFG policies)

- THE ICONIC Code of Conduct
- Business Conduct & Ethics Policy
- Health, Safety & Wellbeing Policy
- Discrimination, Harassment & Bullying Policy
- Anti-Bribery & Anti-Corruption Policy
- Contractor Management Policy
- Insider Trading Compliance Policy
- Sanctions Policy
- Governance Policy
- Speak Up! / Whistleblower Policy
- Responsible Purchasing Policy
- Sustainable Cotton Policy
- Guiding Principles for Recruitment & Employment of Labour Services Provider Staff

Own Brand supply chain

As stated, our 14 Own Brands are designed in-house in Sydney and produced in factories across China, India and Bangladesh.

Brands span swimwear, homewares, men's, kids and women's fashion, maternity wear, footwear and accessories. The suppliers we engage to produce our Own Brand products are a mix of direct to factory and via agents, which provides us with differing levels of influence when engaging on sustainability and ethical sourcing topics. However, a key priority in 2022 was to define a sourcing strategy and review our current supplier base against a number of metrics including human rights related issues. As a part of implementing this strategy, a GFG regional sourcing function has been established, which now works across THE ICONIC and our sister company ZALORA. We are tightening our supplier base and ensuring those we are working with long term holistically align with our business values both commercially and ethically. Noting the inherent risks in fashion supply chains including forced, bonded and child labour, deceptive recruitment and forced overtime, we continue to undertake a risk-based approach to implementing due diligence and worker-centric initiatives in our Own Brand supply chain.



Onsite factory visits

With a large number of our Own Brand factories based in China, we appointed a Guangzhou-based Social Compliance Manager. We have since experienced first-hand the positive impacts of having a person on the ground, nurturing transparent and trusting relationships with our suppliers and gaining insights directly from workers. This new channel of communication between the supplier and THE ICONIC enables suppliers and workers - especially those based in China - access to raise any questions or concerns directly. We also found that deepening face-to-face relationships has led to suppliers being willing to provide us with more transparency of our supply chain, which allows us to have a better understanding of the current and potential risks.

In-person factory visits were able to resume during 2022, however Covid remained closely governed in China, meaning visits in this region were less frequent than preferred. A total of 13 visits were completed in 2022, while additionally keeping lines of communication open with phone calls and check-in emails. During onsite visits we can review documents, and conduct management and employee interviews and training to assess whether any risks are managed and mitigated. Roll out of

our ethical sourcing programs, such as training of workers on how to access grievance mechanisms, was also able to commence before year end. By understanding the site first-hand we were able to identify instances of excessive overtime, undisclosed subcontracting and health and safety concerns, and subsequently able to provide practical and timely recommendations or solutions.

Improving factory working conditions

Our Social Compliance Manager is responsible for implementing our Own Brand factory audit program and supporting our capacity building efforts with suppliers. During 2022 our ongoing factory due diligence program assessed 56 social audits (both in full and by way of follow up) conducted by third party audit firms.

Corrective action plans developed following these audits identified non-compliances to be remediated, with the following outcomes:

- Of the 31 critical non-compliances raised, 29 were remediated during 2022. At year end, orders remained on hold and we were actively working on remediations of the two that remain outstanding with the factory concerned.
- Three additional factories were

The most common issues raised during audits relate to:



not approved for production during onboarding due to critical non-compliances identified in the audit. These factories will not be approved until the issues are remediated and verified as such by a new audit.

- Overall, 44.8% (239) of the 533 minor and major non-compliances within our factory base were remediated, with 18.8% (45) of those issues remediated within one year of being raised.
- Two factories were exited due to non-compliance and we remain committed to ensuring that we act in line with industry guidance on responsibly exiting factories².



Outcomes and findings of factory visits

- Suppliers ability to communicate with us and raise their questions, concerns or feedback directly during the onsite visits was viewed positively, as well as our ability to do the same with them
- THE ICONIC's ethical sourcing & sustainability compliance program is well communicated with the factory and suppliers
- We are gaining a more transparent supply chain through physical inspections, improving visibility as well as trust
- General findings during the visits are recurring and include lack of sufficient chemicals management for footwear factories (no safety label, no anti-leakage facility, no PPE) & missing pulley guards on sewing machines

²THE ICONIC places significant importance on partnering with suppliers and factories that align with our values and are committed to continuous supply chain improvements. Where a factory is unable to provide ongoing assurance of these commitments, we stand firm in our commitment to a departure from dealing with those factories. Significant consideration and planning is involved to ensure that the transition away from that factory occurs in a manner which reflects a reduction in orders, without causing undue negative impact on its operations or employees.

Unauthorised subcontracting

Undisclosed or unauthorised subcontracting remains a high risk within our Own Brand factories, and we recognise that with a lack of visibility of unknown factories comes an increased likelihood of issues, including forced or excessive overtime, underpayment of wages, child or young labour and hazardous working conditions. Covid restrictions began to ease during 2022 and onsite factory visits by our Social Compliance Manager were able to re-commence. Prioritisation was informed by our Modern Slavery Factory Risk Assessment developed in 2020, as

well as focusing on strategic factories producing a high volume of THE ICONIC product. These visits identified three incidents of unauthorised subcontracting. In each case, active engagement with the supplier and factory commenced immediately, breach notices were issued and where possible the unauthorised site was audited and onboarded. This approach promotes trust with our suppliers, as a preference for transparency and honesty enables us to gain visibility of the working conditions in a greater number of factories, and work on remediation of working-conditions issues where found to be

needed. Each incident of unauthorised subcontracting reaffirms the need to continually engage all areas of our supply base that we have visibility of, and it will continue to be a focus area for us in 2023.

Responsible purchasing practices

We understand that our purchasing behaviour directly impacts the lives of the people working in the factories making our products. In 2022, we commenced an industry landscape review of purchasing practices standards and how our Own Brand practices align with those standards.

We also undertook an internal survey to evaluate our teams' level of awareness of their purchasing practices across topics including: contractual terms, negotiation of costs, forecasting, production timelines and order management. The results demonstrated an opportunity to improve on all topics via implementing additional training and awareness to ensure we are consistently meeting, and exceeding, the expectations we set out in our own Supplier Code of Conduct. In order to progress towards our 2030 target of 100% of orders placed in line with responsible purchasing practices, we intend to commence tracking against key metrics in 2023.

Responsible Purchasing Practices Metrics

% of orders with on-time payment to suppliers

% of suppliers whose contracts clearly reference financial consequences for non-performance

% of suppliers with which contracts are in place, signed in the past 24 months

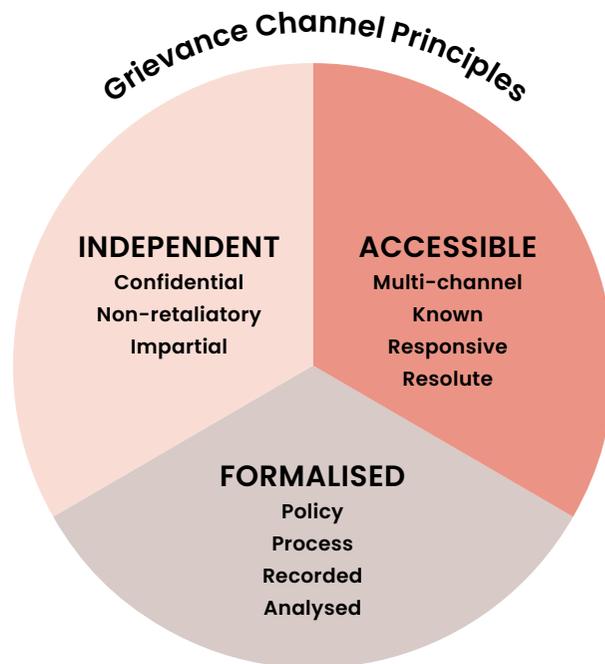
% of styles for which there was an open costing, detailing wages and other labour costs

% of buyers and sourcing staff that have received training on purchasing practices

% of regions with an agreed process to manage the potential impact of factory exits

Worker voice engagement and training

In our Own Brand supply chain, the development and implementation of third party grievance mechanisms and worker dialogue assessment programs were a key focus for 2022, with the pilot completed at one factory in China and further rollout planned for 2023. These programs support our progress towards our 2030 targets of 100% of workers in Tier 1 factories having access to an effective in-factory worker dialogue mechanism or an independent grievance mechanism. As at 31 December 2022, 42% of workers in Tier 1 factories can access an effective in-factory worker dialogue mechanism or an independent grievance mechanism.



Independent helpline issues in 2022

Labour Issue Category	Total # Calls
Compensation - Benefits	5
Compensation - Overtime	12
Compensation-Wages	20
Hours of work	2
Leave	2
Mobile phone use/access	1
Resignation unaccepted by management	1
Termination	10
Verbal abuse or harassment	8
Test calls*	16

Effective worker dialogue mechanisms

Our worker dialogue assessment program aims to gain understanding of existing communication mechanisms and processes in our supplying factories. Assessed against our key principles of grievance channels, adapted from the [United Nations Guiding Principles on Business and Human Rights \(UNGPR\)](#) eight characteristics of an effective grievance process, we can determine effectiveness of existing mechanisms and identify where we can support

improvements and enhance communication channels for workers and management. Our assessment at the pilot factory involved management training, worker and management interviews as well as document review. The outcome of the pilot assessment found that the current mechanisms scored 97% alignment with the key principles, a positive result indicating the factories' grievance channels are effective in promoting improved worker wellbeing.

Despite the high score, some areas

for improvement were identified and the factory was provided with a number of actions - including the development of relevant policies and procedures as well as issuing training to workers - which have since been completed. Following the successful pilot, management training was conducted at a second factory with assessment planned at this and further factories in 2023.

Independent grievance mechanisms

Enabling workers to raise concerns,

complaints and feedback related to their working environment is vital to ensuring we are gaining a holistic view of the conditions in our supply chain. In late 2022 our Speak Up! hotline initiative - which is already accessible to all on-site staff and contractors at THE ICONIC - was implemented in one of our factories in China. Training on accessing the hotline and how to raise reports was issued to 40 workers at the factory. This included an in-person training session as well as the distribution of posters and

*test numbers reflect workers calling the hotline during training or at any other time to check it is operational, no issue was raised

business cards. THE ICONIC planned to roll out the Speak Up! hotline with a second factory, however due to Covid restrictions and outbreaks in the last quarter of 2022 this activity was postponed to early 2023.

Additionally, the independent worker helpline in Bangladesh, which was set up in 2021, continues to operate and we work closely with factory management and the hotline provider to resolve issues raised by workers. During 2022, there were 61 issues raised, with the most commonly reported issues around wages, compensation for overtime and termination.

Further to these mechanisms implemented by THE ICONIC, a number of our factories have existing independent grievance mechanisms in place. Our approach is to recognise that these mechanisms provide workers with access to a grievance channel, aligned with our key principles, and therefore have not prioritised implementing another channel at these factories as this will add little to no benefit to workers.

Living wage assessment

In 2022, GFG built a living wage assessment tool to use in its Own Brand factories which was also adopted by THE ICONIC. According to the Global Living Wage Coalition, a living wage is considered sufficient

to afford a decent standard of living for an employee and their family, including food, water, housing, education, healthcare, transportation, clothing and unforeseen expenses. For the numerical definition in a certain location, GFG relies on the data generated by the primary research of the [WageIndicator Foundation](#), supplemented by secondary data sources, such as food price data from the World Food Programme and health, phone and education costs from the National Bureaus of Statistics.

In 2022, a factory in Guangzhou, China, was invited to take part in a pilot to assess whether wages paid are meeting the living wage benchmark. Through our working relationship on this pilot, we have experienced the factory to be open, cooperative and trustworthy in providing us with valid and accurate data. A benefit of choosing this initial factory is that it is also shared with our sister GFG company, ZALORA, allowing us greater leverage and influence. The final assessment for this factory will take place in 2023, following which we will continue to roll out living wage assessments to more factories as we work towards our 2030 target for 90% of Tier 1 factories to have been assessed against living wage benchmarks where they exist.

Transition to sustainable cotton

As reported in 2021, we developed THE ICONIC's Sustainable Cotton Policy and issued it to our Own Brand suppliers in order to address the inherent risks in cotton harvesting for forced and child labour, particularly in China and India. The policy outlines the third party cotton standards³ accepted and sourcing regions of concern, and supports our target of 100% more sustainably sourced cotton by 2025. By sourcing cotton that meets these third party standards, we aim to gain greater traceability and therefore greater confidence in the labour conditions in our cotton supply chain. As at 31 December 2022, 23.3% of our Own Brand cotton was sourced via a recognised third party standard.

Following the communication of our Sustainable Cotton Policy, collaboration with our supplier base ensured thorough understanding of its purpose and implementation, as well as ensuring that this information was communicated to the factories and suppliers further down the chain. Despite this, in 2022 we identified instances of cotton sourced from regions of concern, which resulted in the need

to develop tighter procedures for successful implementation of this policy. A requirement to provide documented confirmation of cotton source province and country prior to the procurement of certified cotton is now in place, however we recognise the outstanding risks that remains in our non-certified cotton and this continues to be a priority in our cotton transition strategy.

In instances where a region of concern is identified prior to procurement, our suppliers are able to transition to a different cotton supplier with no commercial impacts. New suppliers onboarded following the implementation of our Sustainable Cotton Policy are now advised of our requirements initially and agree to our commitments upon onboarding. As a result, we have gained visibility on additional supply chain tiers, and have identified materials through our cotton transition strategy and broader preferred materials program. These were sourced from countries including Turkey, Vietnam, China, Kyrgyzstan and India in 2022. This source list will grow as our supply chain traceability increases.

3 Organic cotton (Global Organic Textile Standard and the Organic Content Standard); Recycled cotton (Global Recycled Standard, Recycled Content Standard or the SCS Recycled Content Standard); Australian cotton; Cotton Made in Africa (CmiA); Fairtrade cotton

Child and forced labour remediation

Our Child and Forced Labour Remediation Guidelines were finalised and launched in 2022, which included training our Own Brand suppliers on how and when they should be utilised. These guidelines set out a roadmap to follow if a case of child or forced labour is identified, from the investigative phase through to

post-case root cause analysis. THE ICONIC is committed to working in partnership with suppliers and on the ground specialists, where required, to ensure remediation is appropriately handled with the worker's immediate and continued safety the priority. To date, we have not identified a situation of child or forced labour in our supply chain.

Child & Forced Labour Remediation Principles

PHASE ONE: INVESTIGATION

Where there is a suspected or confirmed case, supplier/factory immediately notifies THE ICONIC who forms a remediation team to investigate the situation



PHASE TWO: REMEDIATION PLAN DEVELOPMENT

Develop a Remediation Plan and agree roles & responsibilities



PHASE THREE: REMEDIATION PLAN

Implement Remediation Plan & ongoing worker support



PHASE FOUR: ROOT CAUSE ANALYSIS & PREVENTATIVE ACTION

Conduct a root cause analysis and develop a preventative action plan to ensure the event does not reoccur

Increasing supply chain visibility and traceability

Our 2030 target of 100% of Own Brand products being made from preferred materials means we are working towards intake being sourced from material suppliers certified by third parties to industry recognised standards. Through certification obtained from final stage manufacturers, we gain visibility that the material facility has been audited and is certified to supply the material, via a third party body, as well as verifying that the facility conforms to the requirements of a specific standard. Through certification standards that rely on chain of custody (a system to document and guarantee the path taken by a defined raw material through all stages of

transfer and production, to the final product according to a certification standard) we are able to trace the product through each stage of production using data collection, eventually tracing back to the raw material supplier.

The sourcing function that was formed in 2022 with our sister company, ZALORA, allows us to have greater leverage and engagement with our suppliers, collaborating with them to identify potential new material suppliers that are more aligned with our strategy.

Known manufacturing processes completed 2022

Tier 1 **Cut, Sew, Ironing, Finishing, Inspection, Packing**

Tier 2 **Auto-cutting, Cut, Sew, Ironing, Finishing, Inspection, Packing**

Tier 3 **Printing, Embroidery, Washing**

Tier 4 **Fabric, Hardware, PU, Outsole**

Third Party Brands supply chain



Third Party Brands known sourcing countries

Australia	Germany	Pakistan	Turkey
Bangladesh	India	Portugal	United States
Brazil	Indonesia	Spain	Vietnam
Cambodia	Italy	Sri Lanka	
China	Jordan	Sweden	
France	Myanmar	Thailand	

We have little to no visibility or influence on the supply chain of products we sell via Third Party Brands. This lack of visibility informs the high risk rating applied to this area of our business based on the broad product types (including, but not limited to fashion, beauty, homewares, accessories and technology), known sourcing regions (which is limited and incomplete) and inherent risks including forced labour and the worst forms of child labour in the cotton and garment industry, and debt bondage in the electronics industry. While our Supplier Code of Conduct and all supplier agreements prohibit all forms of modern slavery, we know that for Third Party Brands, as with our Own Brands, visibility and control of every aspect of their supply chain is extremely difficult to achieve.

Our approach is to support brands to understand their own risks and responsibilities and encourage them to take a due diligence approach similar to our own.

During 2022, our brand engagement

program prioritised one-on-one engagement with the top 100 brands who were identified through our brand due diligence assessment as lacking the policies and procedures to manage their modern slavery and human rights risks. Ultimately we engaged with over 120 brands, either directly or via training webinars, to increase awareness of modern slavery risks, reporting requirements and best-practice due diligence.

To further support our brand engagement program and provide a more robust assessment and engagement process, in collaboration with our parent company GFG we developed a set of Human Rights Standards for Third Party Brands. The standards outline a defined criteria that brands are required to meet, and where the standard is not met a pathway for improvement will be provided, including participation in a training program set to be developed in 2023.

Brand-level risk assessments continue during brand onboarding which provide us with risk ratings,

including modern slavery related information, and assist to inform where a brand may not have adequate policies and procedures in place to manage their own supply chain. This process also provides ongoing live updates to inform when a brand may be involved in a high-risk situation. Over 230 brands were assessed throughout 2022. We will continue to engage and support brands as well as collaborate with industry peers to advocate for best-practice management of modern slavery risks in our global industry.

Commodity and sector risks

In addition to the acknowledged risks within the cotton industry, the extraction of minerals, particularly within the beauty category, presents risks of unsafe working conditions and child labour; the production of electronics carries a risk of forced and bonded labour in Malaysia and China⁴; and artisan products in our beauty, homeware and accessories offerings present risks of unmonitored home work⁵. As such, in 2022, our Human Rights Standards for Brands have been prioritised.



Human Rights Standards for Third Party Brands

Brand category	Information used to assess performance
A - High Value	Public disclosures related to human rights or external rating system performance (e.g. Corporate Human Rights Benchmark) or multi-stakeholder organisation membership (e.g. ABVTEX or Fair Labor Association member)
B - Medium Value	Public disclosures related to human rights or external rating system performance (e.g. Corporate Human Rights Benchmark) or multi-stakeholder organisation membership (e.g. ABVTEX or Fair Labor Association member)
C - Low Value	Any of the above or provision of brand commitment to human rights and action plan or participation in learning modules on brand human rights

⁴<https://danwatch.dk/en/undersogelse/how-the-global-electronics-industry-came-to-rely-on-forced-labour-and-debt-bondage/>

⁵<https://www.ethicaltrade.org/blog/putting-homeworking-gender-agenda>

Our operations

We recognise that in addition to the high risk nature of our product supply chain, there are risks of modern slavery present in our operations across labour hire and agency employment, logistics, transport and non-stock supply chains, as well as other employment arrangements such as models and influencers. Our assessment identified risks and risk indicators including migrant or refugee labour, temporary labour - particularly through our use of labour hire and agency workers - as well as potential risk of forced labour, bonded labour, underpayment of, or withholding of wages and entitlements in other areas of our operational supply chain. We are aware that like our product supply chains, we often lack visibility or influence on the employment standards or working conditions of suppliers we engage with, so we have implemented various controls and mechanisms to gain greater understanding of the policies and procedures in place in an attempt to address these risks.

Labour Service Providers Due Diligence framework

During 2022, we formally implemented our Labour Service Providers' Due Diligence framework (following an initial assessment phase in 2021) to recognise that labour services used in our business include a higher representation of vulnerable groups, including migrant and temporary workers.

The framework assessments encompass responsible workplace practices including safe working conditions and ethical employment practices. In 2022, due diligence assessments were conducted on 31 labour service providers across cleaning, logistics, security and labour hire sectors. Four of these providers - supplying office maintenance, parcel delivery, forklift handling and waste management - flagged three or more risk factors (i.e. employing foreign or domestic migrants who require a visa or work permit, paying staff per event worked, or a company working with a subcontractor to recruit staff), triggering an audit across our operations. In 2023, an action plan will be created based on the audit results.



Comprehensive Due Diligence methodology includes:

- Questionnaire (inclusive of supplementary questions for delivery providers);
- Employment Contract checklist;
- Accommodation visits; and
- Staff Interview Questionnaire

To further support the effective implementation of this framework going forward, all new providers are now trained on Guiding Principles for Recruitment and Employment of Labour Services Provider Staff during onboarding.

Additionally, complying with the legislative requirement to convert casual workforce into permanent part-time and full-time THE ICONIC staff, assists us in lowering the risk of modern slavery factors with greater control of training and best practice in-house employment standards.



Speak Up! and whistleblowing program

Our Speak Up! hotline plays a vital role in not only upholding our ethical sourcing principles, but also fostering a transparent, honest and sincere environment where doing the right thing is an expectation. Providing a safe and reliable channel to report any issues or concerns, Speak Up! is communicated via posters, email, intranet and written into our Code of Conduct and Personal Grievance Policy. Our Executive leaders are dedicated to challenging any behaviours or practices that deviate from our ethical standards, and the introduction of Speak Up! empowers our people to do the same with confidence. Our people are trained on how they can reach out to a Speak Up! service including by logging a referral online or by phone, where a unique referral number is provided. The service can also be accessed anonymously.

Additionally, for Fulfilment Centre labour hire providers, a training program was conducted which incorporated the Labour Service Providers framework and details of Speak Up!. The next training session will be scheduled for mid 2023.

Our non-trade procurement supply chain

Categories of non-trade procurement include logistics, marketing, cleaning, technology and electronics and international freight forwarding, which were all identified to have inherent risks of modern slavery in our risk assessment. These risks include indicators such as migrant or refugee labour, temporary or contract labour in logistics and marketing supply chains, underpayment of or withholding of wages and entitlements in cleaning supply chains, and potential conflict-affected zones in countries non-stock products are sourced from. Inherent risks such as forced labour and bonded labour were identified in logistics and shipping supply chains. While the scale of these areas of our business are far smaller than our Own Brand and Third Party supply chains therefore presenting a lower overall risk profile, we still prioritised progressing due diligence programs in 2022.

In parallel with the implementation of the Labour Service Providers Due Diligence framework, our capability risk assessment questionnaire completed by all non-stock vendors includes questions addressing modern slavery risks, employment practices, adherence to laws and regulation, and has requirements for providing supporting documentation. We are developing



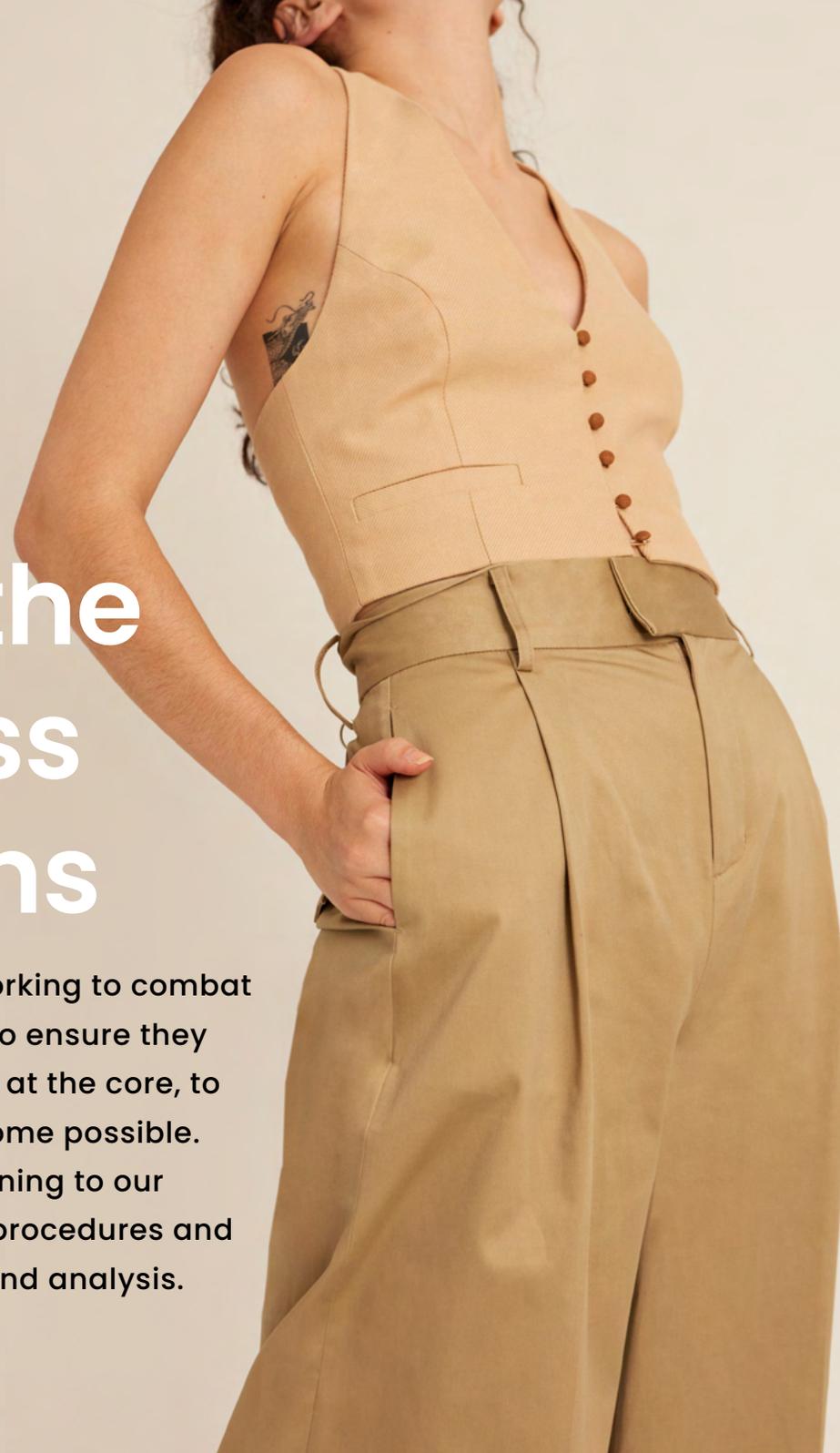
methods to assist all staff when procuring goods or services to keep modern slavery risks front of mind, including a targeted questionnaire. Due to be implemented in 2023, this is designed to provide an initial assessment against existing modern slavery risk factors, to ensure we maintain responsible engagement with our non-stock suppliers in relation to modern slavery risks and understanding of our supply chain.

With respect to the ongoing due diligence in place in both the Labour Hire Providers and non-trade procurement supply chain areas of our business, our risk assessment outcome downgraded the risk rating and we will continue to monitor this going forward.

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Evaluating the effectiveness of our actions

Our intended approach in all activities working to combat risks and instances of modern slavery is to ensure they are undertaken in a way that puts people at the core, to provide the best and most effective outcome possible. In order to fulfil this ambition, we are listening to our stakeholders, reviewing our policies and procedures and evaluating outcomes through reporting and analysis.



Industry & stakeholder collaboration

- Supporting initiatives to bolster strong and effective modern slavery legislation saw us contribute to the Australian Retailers Association's submission to the Modern Slavery Act review.
- Acknowledging that collaborating with industry is the best way to drive positive change, we formalised engagement with International Accord for Health and Safety in the Textile and Garment Industry to advance fundamental improvements to worker safety and factory conditions.

Due diligence & controls

- Our factory audit program continues to identify and manage issues found at Tier 1 and 2 factories, improving the working conditions. In 2022, 44.8% of major and minor audit issues were resolved and continuous improvement remains a focus area for 2023.
- Our in-house factory audits conducted during factory visits build engagement, assess conditions and provide policies and training. Visits often identify additional issues to those found during a third party audit, including unauthorised subcontracting should it be occurring. Identifying these issues confirms that the visits are needed and beneficial. Further, where there is an independent grievance mechanism present we can gain insights into the accuracy of third party audit information through issues raised.
- Following the identification of cotton sourced from a high risk region, the implementation of new processes and procedures have enabled us to ensure we are not knowingly sourcing certified cotton from any high risk regions, while acknowledging there is more work to be done in non-certified supply chains.
- The comprehensive due diligence assessments conducted on labour service providers have reduced the overall risk rating of two business areas in our enterprise-wide modern slavery risk assessment and are testament to the business-wide approach to managing our modern slavery risks.

Grievance mechanisms & access to remedy

- The independent worker helpline operating in Bangladesh received 77 calls during 2022, 16 of which were test calls made by workers to validate the hotline as active and functional. All issues raised in these calls have been resolved through collaboration between THE ICONIC, helpline provider and factory management and workers involved.
- Speak Up! policy applies to all THE ICONIC employees, directors, contractors, labour hire contractors, consultants, suppliers, volunteers and interns. In addition, this Policy also extends to all former employees who are able to rely on Policy and utilise THE ICONIC's Speak Up! mechanisms.
- During 2022, 13 Speak Up! referrals were made by employees, suppliers or contractors on topics such as theft, conflicts of interest, and bullying, discrimination and harassment. Two were made anonymously and the remainder were direct referrals. All cases were resolved.
- Speak Up! is also being piloted at factories in our supply chain and we hope to have implementation results to report in 2023.

5 Update on commitments

Our 2021 Modern Slavery Statement made specific commitments for us to continue assessment and management of our modern slavery risks. We have progressed and delivered on a number of these commitments, and reprioritised or pivoted on others.



Process Improvement Area	Action item	2022 status
External engagement & capacity building	Continue due diligence on indirect suppliers including cleaning and security services, labour service providers and logistics providers	Due diligence ongoing for new and existing indirect suppliers
	Continue due diligence and training for Third Party Brands including Human Rights Standards	Human Rights Standards developed. Onboarding due diligence ongoing
	Implement supplier and worker training schedule for Own Brand supply chain	Training provided to 1,843 workers and 25 members of factory management
	Implement worker dialogue controls in Own Brand factories	Speak Up! hotline and worker dialogue assessment programs commenced
	Commence living wage benchmark assessment of Own Brand factories	Pilot assessment undertaken and factories briefed for commencement in 2023
	Commence Own Brand sourcing strategy project to gain deepened relationships with suppliers through supply chain efficiencies	Sourcing Strategy finalised and implementation is ongoing
	Policy improvement	Update Responsible Purchasing Practices Policy and train relevant internal stakeholders
Develop due diligence response to factory level Modern Slavery Risk Assessment		Factory due diligence ongoing informed by risk indicators
Develop Own Brand Homeworker Policy & review Supplier Code of Conduct		Supplier Code of Conduct reviewed and updated. Homeworker Policy prioritisation to be reviewed in 2023
Upweight Own Brand factory due diligence including introducing Tier 2 audit requirement		Mapped and audited Tier 2 factories



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Planned
actions
for 2023

THE ICONIC's 2023 Modern Slavery Action Plan will be governed by the Modern Slavery Cross Functional Working Group and implemented across the business in line with our business-wide approach to managing our modern slavery risks. In 2023, we will focus on ensuring that the initiatives we have implemented to date are operationally effective and increase their uptake across our operations and supply chain.

Supply Chain Engagement and Training

Use factory level modern slavery risk assessment to inform development of implementation plans for supply chain initiatives

- Continue implementing third party grievance mechanisms and worker dialogue controls in Own Brand supply chain
- Continue Tier 2 and beyond supply chain traceability, site visits and audit controls
- Continue implementing supplier and worker training schedule for Own Brand supply chain
- Continue living wage benchmark assessments of Own Brand factories
- Track Responsible Purchasing Practices Policy and train relevant internal stakeholders

Stakeholder Engagement

Build network of external stakeholders to support modern slavery and People + Planet Positive action plan initiatives

- Implement partnerships with organisations on the ground in our sourcing regions or aligned with modern slavery mitigation e.g. International Accord, Transparency Pledge

Brand Engagement and Training

Continue engagement with Third Party Brands to ensure modern slavery risks are understood

- Implement Human Rights Standards for Third Party Brands
- Continue training for Third Party Brands on modern slavery risks and due diligence controls

Indirect Suppliers Engagement

Continue engagement with indirect suppliers through implementation of the Labour Services Framework

- Continue due diligence on indirect suppliers including cleaning and security services, labour service providers and logistics providers

07

Appendix

Mandatory reporting criteria	Statement Section	Page
1 & 2 Identify the reporting entity and describe its structure, operations and supply chains	Our Structure, Operations & Supply Chain	05
3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Identifying & Addressing Risks In Our Operations & Supply Chain	10
4 Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	Identifying & Addressing Risks In Our Operations & Supply Chain	10
5 Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Evaluating The Effectiveness Of Our Actions	25
6 Describe the process of consultation with any entities the reporting entity owns or controls	N/A - no controlled entities	N/A
7 Any other relevant information	Planned Actions for 2023	29



THE ICONIC

ABN: 50 152 631 082