

SHEIN

Australia Modern Slavery Act Transparency Statement

1. Reporting Entity

This statement is submitted pursuant to the requirements of the Modern Slavery Act 2018 on behalf of SHEIN Distribution Australia Pty Ltd ("SHEIN Australia").

SHEIN Australia is a member of the SHEIN group of companies and a subsidiary of Roadget Business Pte. Ltd. (collectively, "SHEIN"). SHEIN recognizes the importance of supply chain transparency and, as an organization, is committed to addressing issues relating to modern slavery, forced labor and human trafficking. This statement covers the financial reporting from 01 January to 31 December 2022 and also includes more recent developments to the end of May 2023.

2. Our structure, Operations and Supply Chains

SHEIN is a global ecommerce group that sells a wide range of products including women's clothing, men's clothing, children's clothing, footwear, accessories, beauty products, pet products and home décor in more than 150 countries. It has operating entities and affiliates around the world.

SHEIN Australia is an Australian company with an office in Melbourne. SHEIN Australia uses the au.shein.com, nz.shein.com and au.romwe.com websites and related mobile applications from Roadget Business Pte. Ltd. to sell products to consumers in Australia and New Zealand.

As an online retailer, we sell SHEIN branded products which are manufactured by third-party manufacturing partners as well as non-SHEIN branded products from finished product vendors. Our global supply chain includes raw material suppliers, textile suppliers, manufacturing partners and finished product vendors. We source our products from various suppliers, manufacturers, and distributors around the world, primarily from China, but also from the United States, Australia, Turkey, Brazil, among other countries.

While we do not have direct ownership of production facilities, we recognize that our responsibilities extend throughout our supply chains. We strive to work with suppliers who share our commitment to ethical practices and respect for human rights.

3. Our Policies and Commitments

At SHEIN, we are committed to combating modern slavery and human trafficking in all its forms. This Modern Slavery Statement outlines our approach to addressing these issues within our operations and supply chains. We are dedicated to upholding the principles of the Modern Slavery Act 2018, the

International Labour Organization (ILO) conventions, and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

We work to improve working and living conditions across our global value chain and in each community we reach through economic opportunities, support programs, volunteerism and philanthropic giving. A business can only achieve success with the support of a healthy community. SHEIN's community includes not only employees and the customers we serve, but also all the stakeholders along our value chain. We source products and materials from an extensive network of third-party suppliers across the globe and invest in our collaboration with these supply chain partners.

4. SHEIN's Code of Ethics and Human Rights Policy

As part of our Code of Ethics (<https://sheingroup.com/code-of-ethics/>), SHEIN is dedicated to partnering with suppliers who uphold the highest labour standards and actively prevent forced labour in their supply chains.

We have also established a Human Rights Policy (<https://sheingroup.com/human-rights-policy/>) which outlines our commitment to operating responsibly and ethically, protecting human rights of our employees and those that work in our supply chain. We reject forced labour, discrimination, and unsafe conditions. Our goal is to make a positive impact and uphold dignity, fairness, and equality.

5. SHEIN's Supplier Code of Conduct

We have established a Supplier Code of Conduct that outlines our expectations regarding labour practices, human rights, and ethical conduct for our suppliers and manufacturers. It guides supplier behaviour, mitigates risks, fosters collaboration, ensures accountability, and drives continuous improvement. By working together with our suppliers, we aim to create responsible and ethical supply chains that are free from modern slavery and human trafficking.

SHEIN's third-party suppliers must sign and agree to abide fully by the SHEIN Supplier Code of Conduct (CoC) before they are allowed to work with SHEIN. Contract manufacturers must also agree to hold their third-party agents and brokers to the standards covered in the CoC. All new contract manufacturers of SHEIN-branded products must also undergo a vetting process before starting to work with SHEIN. During the vetting process, we review supporting documents to demonstrate compliance with the CoC and conduct an onboarding SRS (SHEIN Responsible Sourcing) audit. In the context of this report the term audit refers to assessment visits to cut and sew factories, materials producers and warehouses.

The SRS audit is an assessment conducted to evaluate a supplier's performance in terms of their processes, capabilities and adherences to the SHEIN Supplier Code of Conduct and SRS Policy. The SRS audit is carried out either by a third-party verification agency hired by the company or carried out by SHEIN itself.

The CoC is informed by the core conventions of the International Labor Organization (ILO) and the United Nations' Universal Declaration of Human Rights (UDHR). It prohibits the use of forced and child labour as core principles and outlines clear compliance requirements regarding the payment of wages, workplace health and safety, labour and social welfare, and environmental standards. It also requires our contract manufacturers to comply with applicable laws and regulations.

6. SHEIN's Responsible Sourcing Program

By partnering with contract manufacturers who share our commitment to ethical sourcing, we build a network of trusted and responsible partners, collectively working towards the eradication of modern slavery and human trafficking.

The SHEIN Responsible Sourcing (SRS) Program establishes clear definitions and criteria for violations of SHEIN's CoC, including remedy procedures and penalties where warranted. To enforce compliance, SHEIN partners with credible third-party verification agencies and certified internal auditors to conduct regular, unannounced SRS audits of partners' facilities. We terminate business relations with partners who refuse to cooperate with our SRS audits or fail to correct detected violations of the CoC within stipulated timelines. Details of the SRS Policy are publicly available online.

In addition, an internal working group of supply chain labor rights experts, sourcing leaders, and consumer products executives regularly convenes to explore and test new tools for understanding potential risk areas for forced labor, human trafficking, and slavery in supply chains.

SHEIN's executive management is responsible for approving the methodology and frequency of our SRS audits, ensuring sufficient budget and approving implementation partners. Executive management cascades responsibility for implementing the CoC down through our structured management system. The ESG operations team regularly reports audit findings to our Global Head of ESG and members of the executive leadership team.

SHEIN conducts training for its employees, including the procurement team, on the Supplier Code of Conduct, labor rights, safe working conditions and corporate social responsibility.

7. Our Supply Chain Due Diligence

Supply chain due diligence plays a crucial role in eradicating modern slavery within our operations. It serves as a comprehensive and proactive approach to identify, prevent, and mitigate the risks of modern slavery throughout our supply chains. By conducting thorough due diligence, we gain a deeper understanding of the working conditions, labour practices, and potential vulnerabilities within our supply chains. This enables us to identify high-risk areas, engage with suppliers to address these risks, and implement robust measures to prevent and detect instances of modern slavery.

Auditing manufacturing partners is a critical component in our efforts to tackle modern slavery. Audits provide valuable insights into the operational realities within our supply chains, allowing us to identify and address potential risks of modern slavery.

Our auditing efforts in 2022 are listed in the table below:

SHEIN has conducted 2,425 audits covering 1,941 contract manufacturers which account for approximately 84% of SHEIN-branded products by procurement value in 2022.

SHEIN has also conducted 387 other audits of textile and packaging suppliers and providers of other ancillary services.

Our audit program is conducted by internal teams and third-party auditors including Bureau Veritas, Intertek, Openview, SGS and TUV.

Suppliers are audited against an extensive assessment checklist that evaluates their compliance with SHEIN's Supplier CoC. They are required to provide supporting documentation as part of the audit, and their workers are interviewed.

All new contract manufacturers must submit to an audit assessment as part of the onboarding process before they start working with SHEIN.

SHEIN has built a multi-channel feedback system for the workers at contract manufacturers, empowering them to anonymously submit complaints, feedback and suggestions via email, phone or a commonly used local chat app.




SHEIN educates our suppliers about complying with the CoC through regular training sessions.

SHEIN has established clear definitions and criteria for CoC violations, including remediation procedures and penalties where warranted.

In all cases, suppliers are provided with a copy of their audit report, which includes any violations, in order to encourage continuous improvement.

8. SHEIN's Commitment to Pay Fair Wages

SHEIN is committed to providing a safe and fair work environment for all our manufacturing partners' employees. We pay manufacturing partners competitive rates so they can support their workers. Between April to June 2022, SHEIN engaged 3 leading international audit agencies, TUV Rheinland (TUV), SGS and Intertek, to conduct a salary investigation across its suppliers' facilities in South China.

Factories Audited	Total Number of Samples	Cities Covered
		
150	11,827	8

Cities Covered in the Investigation:

Guangzhou City	Dongguan City
Foshan City	Ganzhou City
Huizhou City	Shantou City
Yiwu City (Jinhua)	Zhongshan City

The investigation audited 150 factories across 8 cities in South China, wherein the auditors sampled almost 12,000 workers employed by these supplier factories.

The table below provides a local minimum wage comparison. Compared to each city's government mandated minimum wage, workers in SHEIN's contract manufacturing factories earn significantly higher wages, with workers in the city of Guangzhou earning the highest monthly salaries.

Comparison of Monthly Salaries by City:

City	Guangzhou		Dongguan		Foshan		Shantou		Zhongshan		Huizhou		Ganzhou		Jinhua	
Currency	USD	CNY	USD	CNY	USD	CNY	USD	CNY	USD	CNY	USD	CNY	USD	CNY	USD	CNY
Local Minimum Wage	322	2,300	266	1,900	266	1,900	241	1,720	266	1,900	241	1,720	233	1,610	290	2,070
Average pay for private employees in the city	869	6,204	880	6,287	824	5,887	646	4,616	691	4,939	1,060	7,570	616	4,401	707	5,053
Average at SHEIN's Supplier Factories	1,227	9,068	1,088	7,906	1,037	7,608	839	6,517	1,160	8,647	1,175	8,361	957	7,049	1,119	8,006

Like any other industry, wages in the garment manufacturing industry are based on different roles and the skills required to perform the task. Across the four key roles / departments within SHEIN suppliers' garment manufacturing facilities that it has audited, fabric cutters earn an average of CNY8678.93 per month, while those in the sewing department earn CNY8253.97 per month. The garment press department have the highest average monthly wages at CNY9868.17, while those that do the final quality checks and packing take home an average of CNY7310.29.

SHEIN is committed to promoting a safe and fair workplace for the workers at our manufacturing factories. Through the SHEIN Responsible Sourcing Program, Supplier Code of Conduct, as well as initiatives like this wage investigation, we invest money, time and effort to ensuring that the workers are treated fairly, and in accordance with local laws and regulations, as well as international labour standards.

9. Working Hours and Voluntary Overtime

At SHEIN, we are committed to promoting reasonable working hours. We are dedicated to upholding the following principles:

Compliance with Legal Requirements: We have a policy of adhering to all applicable laws and regulations regarding working hours, including maximum working hour limits, rest periods, and overtime provisions. We conduct trainings so that our manufacturers are aware of and comply with these legal requirements.

Reasonable Working Hours: We advocate for reasonable working hours that enable workers to have sufficient rest outside of work. We encourage manufacturers to establish policies and practices that promote balanced working hours, taking into account the specific nature of their operations and local regulations.

10. Supplier Performance Evaluation and Continuous Improvement

Supplier performance evaluation is crucial in addressing modern slavery and human trafficking. By assessing suppliers regularly, we promote adherence to ethical standards and anti-slavery commitments. Evaluations monitor compliance, identify areas for improvement, and highlight exemplary practices. Valuable data informs supplier decisions, engagement, and support. Effective evaluation drives continuous improvement, fosters accountability, and strengthens our efforts against modern slavery.

As part of our commitment to improving lives in our supplier communities, our SRS Program conducts performance evaluations of manufacturing facilities to monitor compliance with our Code of Conduct. We grade them on a sliding scale from A, for outstanding performance, to Zero Tolerance Violation (ZTV), which is automatically assigned to any facility where a ZTV violation is detected. The grading is based on their adherence to the SRS assessment framework. If a facility receives two consecutive D evaluations

or a ZTV, it is required to undergo an improvement program, which consists of training and investment to help the manufacturer achieve a higher rating.

These grades impact our buying decisions. As we strive to be responsible procurement partners, SHEIN has a policy to reward those who score well according to SRS audits with awards and special programs exclusively sourced from top-rated partners, such as our evoluSHEIN by Design product initiative (see page 46). Conversely, those who fall into the ZTV category are not eligible to receive orders from SHEIN until they have remediated those violations.

In 2022, as part of our continuing effort to improve working conditions at our suppliers' facilities, we have expanded the definition of what qualifies as a violation. Regardless of stricter audit criteria, we have seen an increase in A-grade facilities and a decrease in the percentage of ZTV facilities, which we attribute to successful implementation of our Code of Conduct and related trainings. The stricter grading methodology has also resulted in a larger proportion of supplier facilities being flagged as D-grades, which does not necessarily indicate worse performance, but does enable SHEIN to take a more active role in advocating for improvements in those facilities. According to our SRS protocol, facilities with D-grades are to be closely monitored with the risk of a negative procurement decision should violations persist.

In 2022, SHEIN conducted 2812 total SRS audits. This included 2,425 audits covering 1,941 contract manufacturers which accounted for approximately 84% of SHEIN-branded products by procurement value for 2022. It also conducted 387 other SRS audits of textile and packaging suppliers and providers of other ancillary services, such as warehousing facilities.

To encourage transparency and accountability within our supply chain, we have chosen to disclose further details on Zero Tolerance Violations (ZTVs) identified through our SRS auditing process. When ZTVs are discovered, SHEIN assigns an SRS facilitator to oversee the correction process and verify remediation of the issue, providing support through training and investment on a case by-case basis. Unannounced follow-up audits are conducted to support continuous improvement of our supply chain. To date, all identified ZTVs have been remediated within the required timelines as set out in the SRS Policy or the partnership has been terminated.

11. Supplier Community Empowerment Program

Supplier community empowerment fosters a sense of ownership and commitment to ethical practices, enabling us to collectively work towards eradicating modern slavery. Through collaboration and shared values, we can create a stronger and more resilient supply chain that upholds human rights and ensures the well-being of workers.

We respect our suppliers as valuable partners in the SHEIN ecosystem. To foster these vital partnerships, we created the Supplier Community Empowerment Program to support our supplier partners and their communities in the different stages of their development journey. Through the program, SHEIN has been implementing long-term initiatives to empower our partners across four key pillars: factory enhancement, technology innovation, training support and community engagement.

At the end of 2022, SHEIN announced an additional commitment of US \$15 million in funding over four years to the Supplier Community Empowerment Program to facilitate material improvements to factories. In 2022, SHEIN spent US \$1.3 million to upgrade 83,000 m² of supplier workspace covering 29 facilities and approximately 4,500 workers. In 2022, SHEIN conducted over 380 training sessions for workers in

the supply chain, covering topics including enterprise management, organizational structure and business processes, such as quality inspections and quality assurance certification offered by third parties such as Intertek and SGS.

Through the SHEIN Spotlight program SHEIN believes empowering families in the communities where we work, source and live is essential to our collective advancement. To reinforce this developmental journey, we created “SHEIN Spotlight,” a program offering financial support to help communities through life’s biggest moments, and families in need due to financial hardship caused by major illnesses. SHEIN Spotlight provides the opportunity for roughly 46,000 workers in 254 factories to apply for grants. Since the program’s inception in 2021, it has awarded grants to 251 families totalling US \$378,000. The grants have benefitted 677 young people, including 475 school-aged children. SHEIN also assembled a team of “Spotlight Ambassador” volunteers from our own team who have spent more than 690 hours volunteering within supplier communities and continues to grow.

12. Giving Back to Our Global Community

Social responsibility and giving back to the community are powerful tools in tackling the risk of modern slavery. By actively engaging in social initiatives and supporting local communities, we create opportunities for vulnerable individuals who may be at risk of exploitation. SHEIN Cares is our philanthropic commitment to support organizations advancing important causes in the communities where we live and work around the world. Below are a few examples of our initiatives across the globe:

- Australia: SHEIN partners with the Australian preventative health charity Pink Hope to launch Generation Pink, a campaign that empowers Australian women to explore and SHEIN donated \$50,000 to the Generation Pink initiative, money that will help Pink Hope spread the word and fund life-saving screening, genetic testing, and counselling; as well as hosting in-person events and releasing a library of content to spread the word, allowing more women to identify cancer early and make informed decisions about their future health.
- Brazil: SHEIN donated US \$100,000 and over 6,000 items of clothing to the NGO Gerando Falcoes to support their mission to end poverty and empower low-income youth in the communities’ favelas to enter the professional market. In 2022, we spent over US \$1.1 million on programs related to women’s health, disaster relief, community development and environmental protection. This representation illustrates a handful of the initiatives that we supported in 2022.
- Singapore SHEIN has been working with SG Her Empowerment (SHE) to empower girls and women victims or survivors of online harassment or abuse. Bearing in mind the effect that social media can have on body image, mental health and self-esteem, we partnered with SHE to organize a dialogue aimed at driving awareness about body positivity.

13. Grievances

We encourage all employees, contractors, and stakeholders to report any suspicions or concerns regarding potential modern slavery violations. Acting on our commitment to empower workers, we make sure they have the right to raise grievances and make their voices heard. Essential to this is our policy forbidding

discrimination against both internal and external whistle-blowers, which is embedded in the SHEIN CoC to which all suppliers must adhere. Additionally, our suppliers are required to ensure the visible posting of our SHEIN CoC, which includes a section specifying access to the SHEIN grievance WeChat hotline and email through which workers can anonymously submit complaints, feedback and suggestions. This hotline goes directly to the SHEIN ESG team who have dedicated personnel trained in managing worker grievance cases.

If any consumer or worker has a concern or question related to SHEIN's approach to tackling human trafficking and slavery, please write to us at: csr@shein.com.

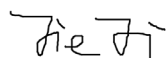
14. Consultation with Owned Entities

With regards to our corporate structure, SHEIN Australia as an entity does not own or control any other entities. Consequently, the requirements under section 16(1)(f) of the Act, which pertain to the process of consultation with entities owned or controlled by a company, are not applicable to us. However, it is worth mentioning that SHEIN Australia, may engage in consultation processes with its parent company or any other relevant stakeholders, despite not having ownership or control over separate entities.

Various sections of this statement have been duplicated from SHEIN's '*2022 Sustainability & Social Impact Report*' which was published in June 2023. A full copy of the report is available on our website at [SHEIN_ESG-Report2022_Final.pdf \(sheingroup.com\)](#). We encourage you to read it.

At SHEIN, we are committed to combating modern slavery and upholding ethical practices within our operations and supply chains. Through supply chain due diligence, supplier audits, and performance evaluations, we actively identify and address risks of modern slavery, fostering a culture of responsible sourcing.

This modern slavery statement is approved and signed on behalf of SHEIN by Ji Jie, the sole director of SHEIN Distribution Australia Pty Ltd., on July 6, 2023.



Ji Jie
Director

SHEIN Distribution Australia Pty Ltd