

# MESHKI

## Modern Slavery Statement 2023

At MESHKI, we are driven by providing luxurious products that create confidence through clothing to woman across the globe.

This passion extends to the way we make our products and all those involved in our business operations to ensure our products are made ethically while protecting the rights of our team members and all those involved in our wider business operations.

At MESHKI, we have aligned our definition of Modern Slavery to the ILO (International Labour Organisation) as “all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.” We include any form of Forced Labour within this definition.

MESHKI has a zero tolerance to any form of Modern Slavery across our business operations which includes our end-to-end supply chain.

MESHKI PTY LIMITED (ABN 63 606 524 878) is a privately owned company, trading as an online business under the trading name of MESHKI.

Our Head Office operations are based in Sydney, Australia with a team that consists of 60 team members and a global team of over 100 team members across our Head Office, warehousing and operations teams. As a Company, our team members are employed in fulltime (57%), part-time (2%) and casual (41%) roles within our operations.

Our products include Ladies apparel, footwear and accessories and are designed and developed by our head office team for sale through our online e-comm platform globally. As a Company, we utilise 26 Suppliers to manufacture our products across China (95%) and India (5%) through a Supplier/Sub-contractor arrangement.

Suppliers then transport our products through freight forwarders to our Sydney based warehouse through our logistics partners via sea, air, rail and road transport options. Upon arrival, products are readied for online purchase and when purchased, products are packed and shipped to our customers via internationally recognised freight or parcel companies.

During 2023, we utilised external resources to undertake a Modern Slavery Risk Assessment across our business. The risk assessment looked at multiple areas of our business operations including Supplier screening processes, Policies, Training, Purchasing Behaviours and Reporting/Accountability. We have committed to undertake the assessment again in the future to gauge our continual progress.

Following the risk assessment, we are also pleased to state we found zero (0) cases of modern slavery within our business operations including our supply chain. The Modern Slavery Risk Assessment also looked at areas where the risk of modern slavery to our business may be present and allows us to target these areas through specific initiatives that aim to reduce the risk of modern slavery across our business operations, particularly in the area of sourcing.

Our risk assessment identified areas where the risks of Modern Slavery risk was greater. While these areas showed a higher level of the risk of modern slavery, they do not present actual cases of modern slavery today. Some of these areas included sourcing in foreign (offshore) markets, women's vulnerability, governance, compliance standards, the use of low skilled or migrant workers, seasonal workforces, overtime and sub-contracting.

Where we work with countries where profit margins may be low, we always work to ensure Suppliers are paid a fair price for products we source to further mitigate the risk of modern slavery in our supply chain.

We also identified that the risk of Modern Slavery increases the more we delve deeper into the lower tiers of our supply chain such as fabric mills, spinners and raw materials suppliers. Our next phase is to work with our supply chain partners to implement initiatives to further reduce Modern Slavery risk and ensure workers at this level of the supply chain are equally protected against all forms of Modern Slavery.

At MESHKI, our primary concern is always the person that is impacted by Modern Slavery. Regardless of the outcomes of any actions we may take, we will always put the affected person first, following their direction on any actions and outcomes we may take with those involved.

We see the governance of our supply chain as a key step to managing Modern Slavery risk across our business operations. We have developed our MESHKI Code of Conduct which all Suppliers must sign and demonstrate their compliance to prior to commencing production for MESHKI. Our Code of Conduct document includes specific social compliance expectations towards Modern Slavery and in addition, all Suppliers must return to us, a signed copy of our Supplier Agreement which details the contractual obligations and expectations we have on those that manufacture goods and services to MESHKI.

To support our governance, MESHKI have also implemented a number of Policies which assist to govern our Supply Chain and business operations. We are currently working through an update to these Policies to ensure they continue to meet changing industry and international expectations. This project includes the development and release of our MESHKI Responsible Purchasing Policy in 2024.

We also defined our supply chain internally, aligning the activities we use at each stage of production and where these sit in the overall structure of our supply chain. Our next step involved over-laying a tiered structure across our supply chain that allowed us to group activities so we can focus more on where the risk of modern slavery is higher (such as lower levels of the supply chain across Tier 3 Fabrics and Tier 4 Raw Materials).

We believe Traceability is also an important element of Modern Slavery Risk management, ensuring we have a clear understanding of our entire supply chain and where the risk of Modern Slavery is greatest. MESHKI require all Suppliers to provide their supply chain information as part of their adherence to our Code of Conduct and Supplier Agreement.

This Traceability information must be provided to MESHKI prior to using any factory or facility for the production of MESHKI products. We have strict rules in our Code of Conduct and Supplier Agreement to ensure suppliers are aware of our expectations surrounding sub-contractor use. MESHKI do not permit the use of unauthorised sub-contractors at any time and have implemented strict governance requirements to ensure Suppliers understand and adhere to this expectation.

As part of our overall Traceability program, we have traced 100% of our Tier 1 (CMT) Factories and we recognise we have more work to do in this area. As a means of strengthening traceability of our fibre producers, we utilise certified fibres which helps with Traceability of factories across Tiers 2, 3 & 4 of our supply chain. We are committed to continue our Traceability steps over 2024 to better understand our supply chain.

To ensure Suppliers and factories meet our expectations, we have implemented a thorough onboarding process that assesses suitability to manufacture products for MESHKI. This process must be followed by all Suppliers and factories prior to any approval for use. Only when we are satisfied the Supplier and Factory meet our expectation will approval be given for use.

As part of our onboarding review, we look at multiple areas of factory operations including factory standards, compliance to local, national and international labour laws and regulations, their ability to provide certified lower impact fibres, their capacity to manufacture our products, audit results, corrective action plans, samples and quality checks.

Once approved, the Supplier must agree to, sign and return a copy of the signed Code of Conduct and Supplier Agreement to us for review and filing. Suppliers must then work with the factory on our behalf to ensure the MESHKI Code of Conduct expectations are met by the factory.

Over the last two years, our ability to visit factories in our sourcing markets was reduced due to travel bans however we are pleased to have recommenced our in-person factory visits, visiting a number of factories and meeting with Suppliers over the last year.

Our visiting team included our Buying teams, Production teams, Sustainability Specialist and our Designers. Our team meets with Suppliers and factories to discuss current standards and looks for opportunities for improvements to strengthen our supply chain in all areas including social compliance, audit results, capacity, risk reduction, new trends and fabrics etc.

As a business, we recognise we need to utilise Suppliers and factories where we have the ability to influence through order placement. We have commenced focusing on Supplier and Factory consolidation, reducing Modern Slavery risk by working with less factories. While this is an immediate action, our longer-term focus is to move towards more vertical operations where Modern Slavery risk is reduced through the reduced use of sub-contracting overall. We have also commenced discussions internally to work towards implementing a Supplier Grading program that allows us to identify our key Suppliers and place orders where the Suppliers and Factories meet higher compliance standards.

Our audit program is an important tool in helping us identify and mitigate Modern Slavery risk across our supply chain. Each Tier 1 Factory is audited annually by independent auditors who assess the factory against international standards and includes questions on Freedom of Association, Modern Slavery, worker treatment and confidential worker interviews.

Following the audit, the results are discussed with the factory management in person and the Supplier and factory is given a corrective action plan to identify audit findings. These corrective action plans include a timeline for the factory to complete the corrective actions to meet our compliance expectations.

Where a factory cannot meet the requirements or requests extra time to complete the audit corrective actions, we partner with the factory to address the concerns to ensure the works are completed within a satisfactory timeline. Our goal is to support factories during this audit phase and not walk away as a result of failed audit findings.

We encourage open transparent discussions and feedback from our Supplier partners. We have internal team members that speak local language for our Suppliers which helps to ensure open lines of communication to our buying and production teams. Our ability to communicate clearly with our Suppliers and factories results in a strong and positive partnership between all parties.

We also recognise the need to continually update our processes and Modern Slavery identification methods to ensure our tools keep up to date with the ever-changing area of Modern Slavery.

To assist our internal processes surrounding modern slavery risk, we have implemented a remediation plan should a case be found/identified in the future. We see this important step as a key to protecting workers and reducing the risk of modern slavery across our business operations and keeps the affected worker/s at the core of all decision making, ensuring they maintain control of the situation. Our remediation plan includes support to all stakeholders involved including the worker, Supplier and Factory.

We are committed to make progress in this important area of worker protection and human rights over the coming year.

This Modern Slavery Statement has been approved by Shadi Kord & Natalie Khoei, Co-Owners/ Co-Directors on 25th January 2024.



(Signature)  
Shadi Kord



(Signature)  
Natalie Khoei