

MECCA

MODERN SLAVERY STATEMENT 2022

MECCA

MECCA
35-43 Wangaratta Street,
Richmond, Victoria 3121 Australia

W: mecca.com.au, meccabeauty.co.nz

ACKNOWLEDGEMENT OF COUNTRY

We commit to being allies and to working in solidarity with First Nations people. We recognise their ongoing connection to this beautiful country, with knowledge and stories that have been handed down over the past 60,000 years. We're inspired by the power and resilience of First Nations women and girls and pay our respects to the strong matriarchal role models who continue to guide them, and to Elders, past and present. We acknowledge that the land on which we live and work always was, and always will be, Aboriginal Land.

To view a copy of MECCA's Reconciliation Action Plan, visit www.mecca.com.au



ABOUT MECCA

Since opening the doors to our very first store in Melbourne in 1997, MECCA has grown to become Australia's largest prestige beauty retailer, serving more than 4 million customers each year. With more than 100 stores across Australia and Aotearoa (New Zealand), as well as online stores in both countries and T-Mall global, we offer an exclusive edit of the best in beauty from more than 200 brands. Today, we have a growing team of 7,000, all working towards a shared purpose of helping people to look, feel and be their best.

We're committed to being a force for good through our sustainability program, M-PACT, and our social change program, M-POWER, which was established in 2017 and aims to educate, elevate and empower women and girls to create a more equal world.

OUR PURPOSE

Our purpose is to help people to look, feel and be their best. For team members, this means helping them develop professionally and personally. For customers, we provide the best beauty experience every time they visit us in-store or online.

MECCA'S COMMITMENT

We're committed to mitigating any form of modern slavery or exploitation within our value chain, where an individual is exploited by others, for personal or commercial gain. Whether tricked, coerced, or forced, they lose their freedom. This includes but is not limited to human trafficking, forced labour and debt bondage. This document sets out the steps we have taken, and the related policies of our business

This statement is issued jointly by MECCA Brands Pty Ltd, MECCA Brands NZ Pty Ltd and MECCA Brands Distribution Pty Ltd (together, 'MECCA'), Kit Cosmetics Pty Ltd and is made pursuant to the Modern Slavery Act 2018 (Cth) (the Act).



INTRODUCTION

Consistent with our commitment to identify and reduce risks of modern slavery throughout our supply chains, this third annual statement details the actions we've undertaken in the 2022 calendar year, being January to December 2022 (Reporting Period). We understand that instances of modern slavery occur across a spectrum, from unfair working conditions to bound labour. We also acknowledge that modern slavery can occur in any region of the world and can occur in all tiers of our supply chain.

As such, while we are taking steps to further identify potential risks of modern slavery further down our supply chains, we are equally committed to human rights and ensuring that our direct suppliers, brand partners and team members work within supportive, fair and safe workplaces.

OUR COMPANY STRUCTURE AND OPERATIONS

As a specialty beauty retailer, we distribute over 200 international and local luxury beauty brands across our store network and online. Additionally, we manufacture four MECCA-owned brands being MECCA COSMETICA, MECCA MAX, MECCA-SSENTIALS and kit:

MECCA COSMETICA **MECCA-SSENTIALS** **MECCA MAX** **kit:**

Our Support Centre and Distribution Centre are both based on Wurundjeri Country in Naarm (Melbourne), Australia. Our Customer Fulfillment Centre is based in Aotearoa (New Zealand).

Our operations include:

Product development and sourcing	Product retail, importing and distribution	Product safety and compliance	Team member education
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These operations are supported by a range of departments including, but not limited to, procurement, digital, IT, sales, marketing, human resources, and finance.



OUR PEOPLE

We're committed to creating and empowering strong teams across stores, our Support Centre, our Distribution Centre and Customer Fulfilment Centres, that are committed to doing whatever it takes to ensure the delivery of an unparalleled beauty offering and exceptional customer experience. As we continue to grow, so too do our teams. In 2022, we employed new team members across all our locations, bringing our total team member count to approximately 7,000 by 31 December 2022.



OUR SUPPLY CHAIN

As a retailer, distributor and a manufacturer, we work with a range of suppliers essential to support our business operations, including brands that we distribute across Australia and Aotearoa (New Zealand), or suppliers that are critical in the development of our beauty products relating to our MECCA-owned brands.

OUR POLICIES

Our commitment to equality and empowerment is reflected across all levels of MECCA. Our policies, procedures and codes of conduct aim to ensure that team members, brands and suppliers are supported in identifying and addressing risks of modern slavery within our supply chains.

(i) SUPPLIERS (EXCLUDING BRANDS)

Supplier onboarding and audit process

Our intent is to ensure adherence by all suppliers to our modern slavery principles, so we can work with suppliers who share our vision and hold the same quality, sustainability, ethical and regulatory standards.

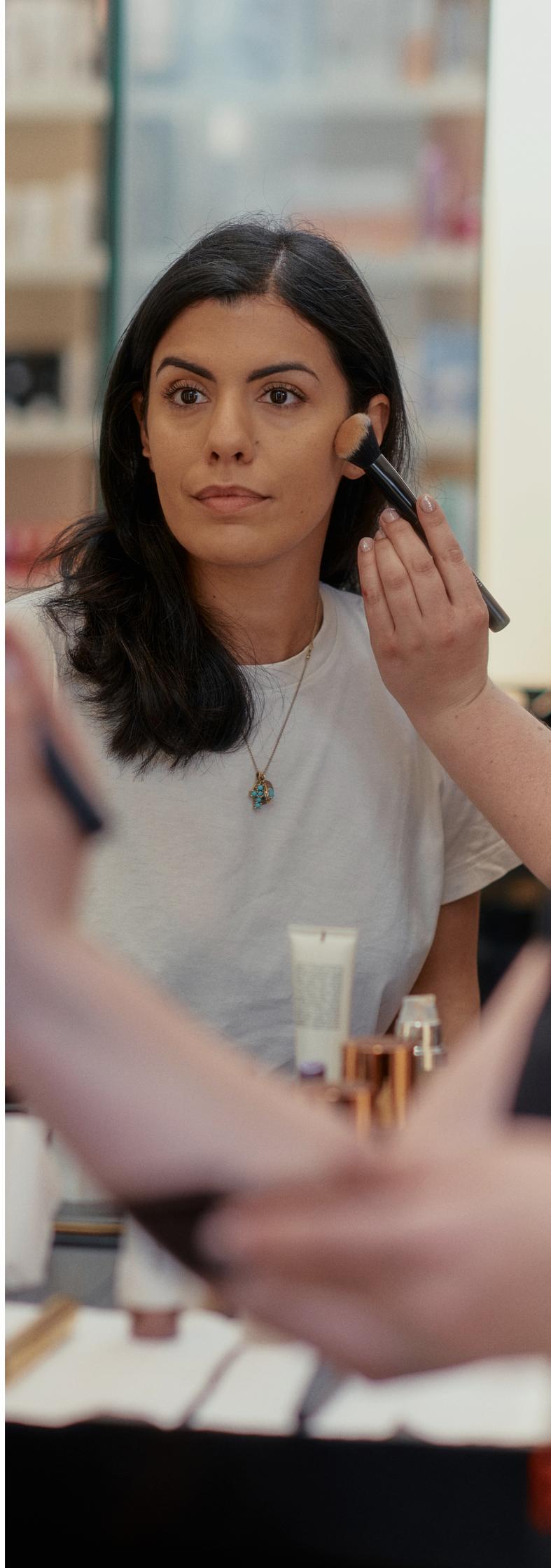
Across our general procurement, all our central agreement templates, executed through our Procurement team were updated with a modern slavery clause. In 2022, we engaged a total 1,661 suppliers across the business to support our operations, with 90 per cent of suppliers operating within Australia and Aotearoa (New Zealand).

Across our MECCA-owned brands, in 2022 we introduced a new supplier approval process that includes completing our supplier questionnaire enabling us to review their quality and sustainability credentials. We also ensure that any timber products are legally sourced and we require our vendors to commit to our Ethical Sourcing Code.

Ethical Sourcing Code

We require all suppliers for our MECCA-owned brands to sign our Ethical Sourcing Code, which reflects our commitment to environmental, sustainability and responsibility, integral working practices; adherence to work standards established by the International Labour Organisation (ILO); and the maintenance of consumer protections.

As of December 2022, we have proudly signed 100 per cent of our total direct suppliers for MECCA-owned brands, onto our Ethical Sourcing Code. This Code ensures that all suppliers and manufacturers we are engaging with are aligned with our ethical position



on human rights and sustainability. We will continue to ensure that any new suppliers agree to our Ethical Sourcing Code.

Timber Products Procurement Policy

Like our Ethical Sourcing Code, our Timber Products Procurement Policy aims to eliminate the risk of illegal logging through our operations, or those of our suppliers. As such, this policy outlines the requirements to source timber related products, which are legally logged and recognises that credible, independent certification and verification of forest management and chain of custody can significantly reduce the risk of illegally harvested timber. From store fixtures across Australia and Aotearoa (New Zealand) to furniture in our support centre, this policy ensures that all timber products imported by MECCA are ethically and sustainably sourced.

Third-Party Agreements

MECCA's Services and Contractor Agreement templates include a modern slavery clause, ensuring that individuals and companies we work with acknowledge their responsibility to ensure that our suppliers and subcontractors do not engage in any practices that may constitute modern slavery. Our suppliers are also required to provide us with any information reasonably requested in the interest of investigating risks of modern slavery within our direct and indirect supply chains.

Team Members

Essential Onboarding Measures

All new team members are required to complete education as part of MECCA's induction and onboarding process. These compulsory education modules include:

- Whistleblowing
- Respect in the Workplace
- Privacy and Confidentiality

This education empowers our teams to understand their rights and responsibilities as team members of MECCA. We believe in the importance of education to ensure that our teams are conscious of working collaboratively to support one another, our suppliers and our brand partners in building a supportive working environment throughout our teams and supply chain.

In addition, any team members who are involved in the importation of timber as part of their roles are required to complete an 'Illegal Logging' education.

Workplace Policies & Procedures

In addition to team member education, we've included below a list of policies and procedures that we have in place to help reduce the risk of modern slavery. We encourage our team members to report any breaches of the below policies through an independent and confidential reporting service, Stopline. This third-party service is used by MECCA to ensure that all team members feel comfortable and empowered to report ethical breaches, both within

MECCA and within the operations of our brand partners and suppliers, and to hold one another, our brands and our suppliers to a high ethical standard.

- **Whistleblower Policy** – this policy sets out the avenues open to team members and other MECCA personnel who wish to raise issues about whether MECCA or our team members have complied with applicable laws and standards of behaviour. This policy is designed to provide a safe and confidential environment for team members to raise any such concerns without fear of reprisal.
- **Complaints Resolution Policy** – this policy sets out the steps encouraged to be taken to resolve any workplace issues or concerns at the earliest opportunity, with open communication and a focus on resolution.
- **Equal Employment Opportunity Policy** – this policy outlines MECCA's dedication to Equal Employment Opportunity in the workplace and its commitment to ensuring that all team members have equal access to the opportunities that are available at work.
- **MECCA Brands Code of Conduct** – this policy outlines the obligations of MECCA Brands to its employees and the standards of behaviour and expectations of employees held by the company.
- **Respect in the Workplace Policy** – this policy outlines MECCA's commitment and each team member's responsibility to foster a workplace free of discrimination, bullying and harassment.
- **Workplace Health and Safety Policy** – this policy highlights the important role that each MECCA team member, manager and supervisor play in maintaining healthy and safe workplaces.

(ii) BRAND PARTNERS

Modern Slavery Statements

Both MECCA's statement and individual brand statements declare brand adherence to all ILO recommendations and regulations pertaining to safe and fair work practices with the goal of eradicating modern slavery throughout the world.

Distribution Agreements

Our updated distribution agreements, which new brand partners signed in 2022, ensure that they, and their potential subcontractors, do not engage in any practices that may be considered modern slavery. Our revised distribution agreements also require brands to notify MECCA immediately upon becoming aware of any incident, complaint, allegation or risk, that the supplier, or any entity in its supply chain or connected to its business operations, has engaged in, contributed to, or is, or may be connected with, modern slavery.

As part of our brands and buying strategy in 2023, we will review our brands' public modern slavery commitments to understand if there are any opportunities for us to work together to drive positive change.



The MECCA team at our Noosa store

“Our team is the
beating heart of
MECCA”

Jo Horgan

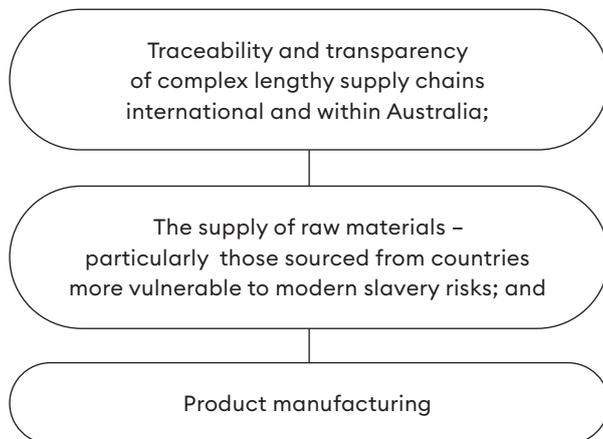
RISKS OF MODERN SLAVERY IN MECCA'S OPERATIONS AND SUPPLY CHAINS

As an Australian retailer, distributor and manufacturer of luxury cosmetics, with 90 per cent of our general procurement suppliers operating within Australia or Aotearoa (New Zealand), we recognise that modern slavery risks within our organisation and supply chains are relatively low. While there is a potential risk to inadvertently contribute to or be linked with modern slavery by engaging in extensive supply chains, we're implementing all necessary processes with the view of attempting to mitigate these risks.

While we worked to identify risks within our supply chain throughout 2022, we know that due to the complexity of our supply chains, we require rigorous commitment from all involved to ensure that modern slavery is able to be identified and addressed, as required. This is something we will continue to work towards in 2023.

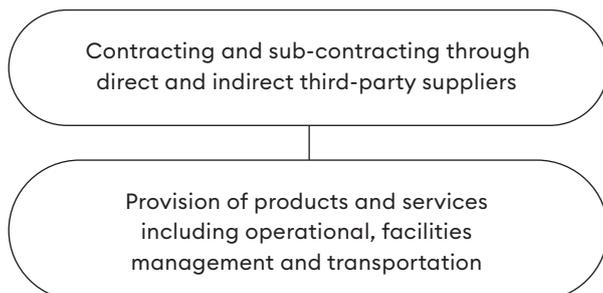
Supply Chain Risks

Some of the possible risks identified within our supply chains include:



Operational Risks

Some of the possible risks identified within our operations include:



MECCA'S 2022 ACTIONS

In 2022, we built on the work undertaken in 2021 to further deepen our knowledge and understanding of modern slavery risks within our operations and supply chains. While the level of risk in our own operations is low, we took the opportunity in 2022 to better understand where we could potentially be inadvertently contributing to modern slavery practices, and took action to reduce risks in these areas.

We have established a sustainability taskforce with a distinct working group focused on sustainable procurement, including mitigating risk of any modern slavery. We have conducted internal risk profiling to identify high risk suppliers across our business and specifically associated with our MECCA-owned brands. As stated earlier, in 2022, MECCA's in-house brands had 100 per cent of their direct suppliers sign onto our Ethical Sourcing Code.

Through our working group, we explored new software to increase our visibility across our supply chain that was also simple for our suppliers to use. We expect to see results of this work in 2023. Finally, we have updated our Code of Conduct to reflect the ethical conduct that we uphold and that we also expect our suppliers to comply with.

MECCA M-PACT

We want to be a force for good – both within the beauty industry and beyond. We want to understand our impact on the planet, on people and through our products, and take action to make it as positive as possible. So, we created M-PACT, our sustainability program, where we'll work with the MECCA community, including our team members, customers, brands and suppliers to create meaningful, positive change.

We'll look at our entire value chain, from the sourcing of raw materials through to the way customers use our products, to see where we can have a positive impact for the planet and for people. We'll also look beyond our direct business to support communities in need, to be a catalyst for change on critical social issues.

Diversity & Inclusion

Inclusive thinking is critical in identifying and addressing any modern slavery risks related to human rights, and creating awareness of communities that may be more vulnerable to modern slavery. In 2021, we formed our Inclusion and Diversity team, tasked with ensuring all team members, suppliers, brands and customers are widely represented, respected and educated in matters of inequality. The introduction of this team has helped create more inclusive thinking and engagement across the business with educational opportunities designed to assist teams in further understanding the importance of diversity, inclusion and equality.

In 2023, we launched bespoke education, including Gender Equality Foundations, Inclusion and Diversity Foundations, and Inclusive Language. Along with MECCA's policies and Code of Conduct, this education helps ensure our workplace, retail stores and supply chains are free of discrimination, bullying and harassment.

In addition, as a business operating in Australia and Aotearoa (New Zealand), we're committed to working in solidarity with Indigenous communities in both countries to recognise and celebrate their unique cultures, and to help ensure they have equal access to opportunities.

To support Aboriginal and Torres Strait Islander peoples and communities, in 2023, we launched our first Reconciliation Action Plan (RAP), which will guide our efforts on contributing to national reconciliation, and highlights some of the initiatives we've introduced so far. Our RAP is available via www.mecca.com.au. In addition, in partnership with Evolve Communities, we offer all our team members access to monthly education on Aboriginal and Torres Strait Islander cultures, as well as access to their foundation program – Seven Steps to Reconciliation.

To help ensure we're meeting the needs of Māori community, we have been working closely with Māori cultural expert, Janelle Riki-Waaka, to develop an action plan outlining our specific support for Māori team members, customers and community, which will launch in 2023. A key part of this plan will be education, which we started back in 2021 when we created mandatory team member education with Janelle, with the aim of creating an awareness and appreciation of Māori culture, heritage and language.

Raw Material Extraction

Certain raw materials used across our MECCA-owned brands' products and commonly found in cosmetics, are associated with a higher risk of modern slavery within their production, growing, extraction and supply chain.

High-risk ingredients are typically found to be:

- Grown in developing countries on small land holding farms or areas associated with illegal clearing of native forests;
- Extracted, grown or produced in developing countries or regions suffering from weak rule of law, conflict, geopolitical instability, widespread poverty, discrimination of minority groups, and other areas where human rights and workers' rights are not widely protected, and vulnerable workers are vulnerable to abusive labour practices; or
- Produced using hazardous chemicals, labour intensive



or low skilled work often carried out in countries with low-cost labour, or by migrant or vulnerable workers susceptible to abusive labour practices.

Our focus for 2023 is on how we can improve our visibility of the supply chains and understand how and where any high-risk ingredients may be used.

Traceability

Following our request to brands in 2021 to conduct a risk assessment into the extraction of palm oil and mica, we have continued our work in ensuring these high-risk raw materials are from certified sustainable sources, including the Roundtable on Sustainable Palm Oil (RSPO) and Responsible Mica Initiative (RMI) and will publish these results in our 2023 report.





Jo Horgan, Founder and co-CEO, MECCA Brands

2023

In reflecting upon the risks identified in 2022, we are committed to ensuring that our 2023 actions continue to build on this progress. We are working towards creating a modern slavery module to add to our compulsory education package to assist in building team member awareness of modern slavery and its risks. MECCA will also look to engage risk-assessment tools that will further support us in identifying modern slavery risks within our supply chains.

Using EcoVadis to improve visibility across our supply chain

To better our understanding of the potential risks of modern slavery in our supply chains, MECCA entered a partnership with EcoVadis in May 2023.

EcoVadis is one of the leading providers of business sustainability ratings and will enable us to complete assessments of workers' rights and modern slavery. By engaging third-party support, we will be able to highlight top-performing suppliers in the area of ethics and modern slavery. Through the EcoVadis supplier assessments, supplier policies are externally verified rather than relying on self-assessment. Its sustainability ratings platform will provide us with supplier database and risk assessment, helping us to measure and improve supplier social, environmental, and economic performance. The platform also gives us a thorough view of our suppliers, enabling us to assess supplier compliance. This enhanced data will empower us to target resources towards areas of higher risk, and to drive continuous improvement and sustainability impact.

This partnership will help us:

- Audit of our supply chain, to identify any high-risk vendors (across ingredients, geographic locations, and type of suppliers)
- Improve risk assessment, outlining next steps based on supplier risk profiles; and
- Assist in supplier engagements and agreements going forward

EcoVadis will play a key role in assisting us with our modern slavery plan, as we work with them closely to review our supply chain, onboard suppliers and identify next steps to ensure best practice. For our MECCA-owned brands, new product design and supplier engagement will be guided by insights and compliance of suppliers against EcoVadis reporting criteria.



ASSESSMENT OF EFFECTIVENESS OF 2022 ACTIONS

Throughout 2022, we have grown and onboarded team members and suppliers across the business. With all the aforementioned policies, codes and compulsory education modules in place, we are building a network of more educated and aware team members, brands and suppliers. While we acknowledge that we still have a way to go in better understanding the risks of modern slavery within our supply chains, we are committed to understanding modern slavery risks throughout all aspects of our business and supply chains, with a view to mitigate these risks through education and awareness.

FURTHER INFORMATION

If you have any questions about this statement, please contact us via m-pact@mecca.com.au



Principal Governing Body Approval

This Statement was approved by the Board of Directors of MECCA Brands Pty Ltd as defined by the *Modern Slavery Act 2018 (Cth)* on 30 June 2023



Joanna Horgan
Founder and Co-CEO, MECCA Brands Pty Ltd
On 30 June 2023



Peter Wetenhall
Co-CEO, MECCA Brands Pty Ltd
On 30 June 2023



MECCA's Sydney Flagship store on George Street