

OS/SALE

MODERN SLAVERY STATEMENT

2021 - 2022

MODERN SLAVERY STATEMENT

This is the Modern Slavery Statement (**'Statement'**) of OZSALE Pty. Limited (**'OZSALE'**) for the financial year ended 30 June 2022. This Statement is made under the Australian Modern Slavery Act 2018 (Cth) (**'Act'**) and has been approved by the Board of Directors (OZSALE's principal governing body).

1. REPORTING ENTITY

OZSALE (ABN 11 118 610 987) is the 'reporting entity' (as defined in the Act) covered by this Statement and the terms the **'we'**, **'us'** and **'our'** refer to OZSALE. OZSALE does not own or control any other entities.

2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

OUR STRUCTURE:

OZSALE is wholly owned by MYSale Group PLC, which is listed on the London Stock Exchange. OZSALE has the following current general business structure:

- Board of Directors:
 - Non-Executive Chairman – Carl Jackson
 - Chief Executive Officer – Kalman Polak
 - Senior Non-Executive Director – Charles Butler
 - Non-Executive Director – Donna Player
- Our team:
 - OZSALE has 73 permanent employees in Australia across our warehouse and head office located in Sydney and a second office in Melbourne. OZSALE is part of the MySale global group.

OUR OPERATIONS:

OZSALE are an online marketplace platform destination for branded, converted fashion, homewares and beauty products and the doorway to affordable designer fashion. We are the customer's trusted and exciting daily discovery-based shopping destination for branded products at enviable prices.

Working in opposite seasons, we provide the most effective, agile counter-seasonal solution for our partners' off-price inventory, brand, and revenue needs.

OZSALE are part of the MySale corporate group which operates 12 websites across five countries - Australia, New Zealand, Singapore, Hong Kong and Malaysia, under the following names and brands:



MYSALE Solutions is the group's proprietary end-to-end e-commerce technology platform providing a range of flexible solutions:

Fulfilment by MYSALE - Order after Sale

Provides partners with the opportunity to sell high volumes of off-price inventory over a short period.

Fulfilment by MYSALE – Consignment

Providing an end-to-end solution for partners including warehousing, campaign management, dispatch, and customer support.

International Drop Ship

Provides a flexible integrated solution allowing partners to integrate into the marketplace platform and deliver direct to the customer.

Own-Stock

Purchases off-price inventory (buying “width” not “depth”); adopting a test and repeat strategy.

Marketplace

A curated marketplace platform that provides flexible integration solutions and the opportunity to access MYSALE Marketing Services and deliver direct to the customer.

OUR SUPPLY CHAIN:

Our supply chain is comprised principally of providers of finished branded products (whether by wholesale purchase or consignment) for distribution and sale by OZSALE via our online websites. Our suppliers are located within Australia and overseas.

MARKETPLACE USERS:

In addition to selling products procured from our brand suppliers direct to consumers via our web marketplaces, we also allow independent third party vendors (“Third Party Marketplace Sellers”) to offer their products for sale direct to consumers on OZSALE’s websites and apps, together with the provision by OZSALE of certain related services, such as marketing, order fulfilment and drop shipping (collectively, “Web Market Access and Services”). Third Party Marketplace Sellers are not suppliers to OZSALE but are customers who pay OZSALE a commission for the Web Market Access and Services provided by OZSALE. The Third Party Marketplace Sellers set their products and prices and contract directly with, and ship their products directly to their online customers. OZSALE does not take ownership or possession of such products. In addition to branded fashion, homewares and beauty Third Party Marketplace Sellers may also offer and sell a variety of other products and services.

3. RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAIN

RISKS IN OUR OPERATIONS:

For all our employees and operations located in Australia, we comply with all Australian labour laws and other applicable employment related legislation. Our internal reviews have found no evidence of any modern slavery practices or incidents in our operations, and we do not believe there is material modern slavery risk in this area.

RISKS IN OUR SUPPLY CHAIN:

Following investigation, no evidence came to light to indicate that any of our suppliers had (or were aware of) any instances of modern slavery in their operations or supply chains.

Our due diligence to date indicates that the higher risks of modern slavery in our supply chain likely reside principally in (a) the relatively few first tier suppliers that have been specifically identified as High risk in our due diligence to date, (b) direct foreign suppliers located in higher risk countries, and (c) indirect foreign suppliers in the second tier of our supply chain and beyond and for whom we still have quite low visibility (collectively, the “Higher Risk Supplier Group”).

Our due diligence indicates certain recurring themes within the Higher Risk Supplier Group, including:

- Many have little visibility into the labour practices in their supply chains and no substantive assessment, verification or mitigation of modern slavery risk has been made in their operations or supply chain and no procedures are in place to facilitate such an assessment, verification, or any mitigation.
- They may not have contract warranties and covenants in place that specifically and robustly address modern slavery issues in their procurement agreements.
- They may not have formal company policies in place for modern slavery avoidance or Whistleblower encouragement and protection.
- Our direct suppliers may not be systematically imposing obligations on their direct suppliers (including obligations to implement robust contract warranties and covenants relating to modern slavery issues on their respective suppliers).
- Some are unsure of the extent of use of low-skilled (including foreign migrant) workers in their operations or supply chains and/or whether or to what extent high risk factors relating to the use of such workers exist.
- Some suppliers have not yet responded to our due diligence inquiries.

It must be emphasised that the Act is at the forefront of modern slavery legislation globally and virtually none of our foreign suppliers are directly subject to any modern slavery legislation comparable to the Act, so it cannot reasonably be expected that they would have modern slavery risk programs in place when many Australian companies that are subject to the Act are still in the process of designing, implementing, and refining such programs. Currently and in the foreseeable near and medium term, the main impetus to most of our Higher Risk Supplier Group to improve their practices in this area will likely

come primarily from the encouragement/insistence of their Australian customers such as OZSALE and other major customers that may be subject to the ACT or to foreign legislation similar to the Act.

RISKS REGARDING MARKETPLACE SELLERS:

We believe it possible that Third Party Marketplace Sellers may present many of the same modern slavery risks as described above for the Higher Risk Supplier Group. As a result, in the spirit of the Act, we have taken steps to address risks in this group, as noted below.

4. ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

ASSESSMENT OF RISKS:

With the assistance of Compliance Pronto, an external consulting services provider, we have implemented and embedded an ongoing program to try and continuously improve our visibility into the labour practices in our supply chain and our ability to identify risks of modern slavery practices in our operations and supply chain (the “Modern Slavery Risk Mitigation Program”).

Our Modern Slavery Risk Mitigation Program is intended to be continuously reviewed and improved over time and currently includes –

1. A Human Rights Policy and Supplier Code of Conduct, linked to a Whistleblower Protection Policy. Our Human Rights Policy and Supplier Code of Conduct each specifically address our commitment to being vigilant on modern slavery issues, while the Whistleblower Policy strongly encourages employees and other stakeholders to report all violations of policies and ensures there will be no negative repercussions for doing so. Our Human Rights Policy, Supplier Code of Conduct, Whistleblower Policy and most recent Annual Statement are accessible to our employees, suppliers and Third Party Marketplace Sellers.
2. Our Supplier Code of Conduct contains robust modern slavery contract warranties and covenants from suppliers and Third Party Marketplace Sellers and forms a binding contract. Acceptance of the Supplier Code of Conduct is now part of the onboarding process for all new suppliers, Third Party Marketplace Sellers and existing contract renewals. It includes recommendations that our suppliers and Third Party Marketplace Sellers “push” these same warranties and covenants up their supply chains by including them in their procurement contracts with their respective suppliers.
3. Targeted, customised “due diligence” surveys of suppliers identified as being at the highest risk for potential modern slavery incidents, after considering and balancing various factors, including our relative spend level with them. The due diligence surveys are designed to help validate and further assess the potential modern slavery risk of each supplier, by rating their modern slavery risk profile as High, Medium, or Low based on their responses to a series of questions relating to (i) their operations and (ii) their supply chain. Due diligence responses are evaluated to determine whether and to what extent any additional follow up might be required, sensible and feasible in the circumstances, after which an action plan is meant to be created to implement such follow up in each relevant case.

4. A company ethic that our Supply Chain Standards should also be included as part of our business relationship with our Third Party Marketplace Sellers, who we expect to do their own due diligence to ensure that every product sold on our websites is produced in safe, healthy, non-abusive work environments in compliance with high international standards. We will evaluate credible allegations or reports of violations of our Supplier Code of Conduct, including but not limited to those published by governments, reputable investigators, journalists, or human rights defenders. If we have reason to suspect certain products do not meet the requirements of our Supplier Code of Conduct, we may request that the relevant Third Party Marketplace User demonstrate that the products it sells on our website were manufactured in accordance with OZSALE's Supplier Code of Conduct, provide evidence of auditing protocols, show processes for assessing factory working conditions, engage in unannounced audits, participate in an approved industry association that includes factory monitoring, and/or verify where the products are made.

ADDRESSING RISKS:

Some specific key actions taken in connection with the Modern Slavery Risk Mitigation Program in the reporting period include -

- Continued and further entrenched implementation of the Modern Slavery Risk Mitigation Program.
- We continue to find a better online training platform to further increase the awareness and understanding of Australian Consumer Law, the Act and modern slavery risk. While maintaining a more personalised face-to-face training option.
- Suppliers who have responded to a due diligence survey have received the Supplier Code of Conduct requesting their commitment to review, acknowledge and formally agree to abide by its principles by returning a duly executed version.
- In this reporting period, an additional 26 of our suppliers and/or Third Party Marketplace Sellers completed our customised due diligence survey. This sample included some who had previously received the survey but not responded prior to the date of our last annual statement. (See – Section 3: Risks in our Supply Chain – for a summary of findings.)
- Our due diligence survey was updated to help us try to get a better understanding of where modern slavery risk might reside deeper in our supply chain such as our direct suppliers' supply chains.
- In this period we modified our onboarding procedures and standard contracts with suppliers and Third Party Marketplace Sellers, which now contain more robust warranties and obligations relating to modern slavery.

We are still in the early stages of a modern slavery risk identification and mitigation journey with our suppliers and Third Party Marketplace Sellers. We expect to see our visibility into modern slavery risk in the supply chain improve and corresponding mitigation actions completed as we continue that journey. Our Modern Slavery Risk Mitigation Program will continue to be refined – with that in mind and with a view to “bring along” our entire supply chain with us on that journey.

5. ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS TAKEN

Even at the early stages in our Modern Slavery Risk Mitigation Program it is clear to us that the actions we have taken in implementing and executing our Modern Slavery Risk Mitigation Program have already been effective and aligned with the purpose and intent of the Act in the following ways:

- Increasing the level of awareness, understanding and appreciation at all relevant levels within OZSALE of the potential for incidences of modern slavery within our supply chain.
- Increasing our visibility into our supply chain and the labour practices of our first tier suppliers by, among other things, increased supply chain mapping, initial risk assessment and additional follow-up due diligence where warranted. We also added a process to obtain robust, binding warranties from suppliers about modern slavery incidents and risks in their respective operations and supply chains, along with contractual obligations to take affirmative steps to mitigate modern slavery risks in their respective supply chains.
- Our updated due diligence survey has helped us start to get a better understanding of where “derivative” modern slavery risk may or may not reside in our supply chain. For example, Australian suppliers who confirm that they source products from higher risk jurisdictions may have their risk assessment level increased, while Australian suppliers who confirm they do not source products from higher risk jurisdictions may have their risk assessment level decreased.
- Establishing a specific line of accountability within OZSALE for ownership and execution of the Modern Slavery Risk Mitigation Program.

6. CONSULTATION PROCESS

This Statement applies only to the operations and supply chain of OZSALE and does not cover any of its foreign affiliates. Key members across the OZSALE team participated in providing the information relevant to their respective sites, operations and supply chains as required for the risk assessment actions noted above in this Statement, as well as consulting and/or liaising with respect to communications with the suppliers in their respective operational supply chains who were subject to modern slavery due diligence review.

7. OTHER RELEVANT INFORMATION

OZSALE strongly support fundamental human rights and the prevention of modern slavery and human trafficking. In addition to following our Modern Slavery Risk Mitigation Program and further embedding it into our company processes and culture, we are considering ways to enhance our program. For example how we audit compliance with the Modern Slavery Risk Mitigation Program by ourselves and our suppliers and how we effectively and feasibly expand the program to reach deeper into our supply chain beyond our first-tier suppliers.

OZSALE is committed to the spirit and intent of the Modern Slavery Act and have implemented a risk-based approach and are committed to achieving continuous improvement through the actions described in this Statement. Having said that, the reality is ensuring that slavery and human trafficking are not

taking place within our supply chain, especially at tiers beyond our direct (first-tier) suppliers, will likely remain a significant ongoing activity.

8. BOARD APPROVAL

The Board of Directors of OZSALE, its principal governing body, unanimously approved this Statement on 19 October 2022 and authorised Kalman Polak, CEO, as the responsible executive of OZSALE to sign this Statement in accordance with the Act.



Kalman Polak
CEO | OZSALE Pty Limited