

# MESHKI

## 2024 Modern Slavery Statement

MESHKI acknowledges the Traditional Custodians of the land on which MESHKI gathers & pay our respects to their Elders past, present and emerging. We extend that respect to Aboriginal and Torres Strait Islander peoples.

## **About Us**

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 to 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.

Our products come to life in Sydney, Australia where every piece is designed and developed before it is delivered to our inspiring customers.

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 of 90 team members and a global team of 132 team members across our head office, warehousing and operations teams. Our global team includes a small team located in the USA to support our US operations. As a company, our team members are employed in fulltime (63%), part-time (2%) and casual (35%) 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 35 Suppliers to manufacture our products across China (95%) and India (5%) through a supplier/sub-contractor arrangement. As a general rule, we aim to create a direct working relationship with suppliers where we recognise our ability to influence outcomes is greater than through an agent model.

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 once purchased, products are packed and shipped to our customers via internationally recognised freight or parcel companies.

## **Understanding Modern Slavery Risks**

As part of identifying where our modern slavery risk is greatest, we continue to work through our modern slavery risk assessment findings. We have further committed to undertake the modern slavery risk assessment every two (2) years to ensure we remain focused on where the risk of modern slavery is greatest to us, mitigating high risk areas while also measuring the impact of our actions.

The modern slavery risk assessment looked at multiple areas of our business operations including our supplier screening processes, policies, training, purchasing behaviours and reporting/accountability. Through the responses and scoring of the risk assessment, we were able to create an action plan which allows us to target specific areas of modern slavery risk.

Through the risk assessment, we identified where we may cause, contribute or are linked to the risk of modern slavery in our wider business operations. These included risks such as sourcing in foreign (offshore) markets, women's vulnerability, lack of governance, poor compliance standards, the use of low skilled or migrant workers, seasonal workforces, forced overtime, excessive overtime and sub-contracting.

These risks also extend to areas where we may be linked to modern slavery through the action of another person or party and include areas such as sub-contracting, low profit margins, lack of direct supervision and where suppliers manage the relationships on our behalf.

We also identified that our risk of modern slavery increases the more we delve deeper into our supply chain such as fabric mills, spinners and raw materials suppliers.

While our risk assessment did not identify any specific cases of modern slavery across our business operations, it did highlight where the risk of modern slavery was greater and allows us to focus our attention in these areas to mitigate modern slavery risk. Our next phase is to work with our supply chain partners to implement specific initiatives to reduce modern slavery risk and further protect workers from any form of modern slavery.

At MESHKI, our primary concern is always the person that has been impacted by modern slavery in any of its forms. Regardless of the outcomes of any actions we may take, we will always consider the affected person first.

### **Our Actions**

We see the governance of our supply chain as a key step to managing modern slavery risk across our business operations. We have undertaken an annual review of our 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 further support our internal governance, MESHKI also maintain a number of policies which assist to provide governance of our supply chain and wider business operations. As part of our periodic review of supply chain governance, we review and update supporting policies as required to ensure they continue to meet changing industry and international expectations.

We understand our requirement is to continually learn in this space to ensure our team and business operations stay abreast of modern slavery risk including how to identify risk and more importantly, how we can manage and protect workers against all forms of modern slavery. To assist us, we engaged an external resource to complete a training and education session with our team which included our Executives, Buyers, Product Designers, Garment Technicians, Warehouse, Operations, Logistics and Human Resource teams.

The session was an informative modern slavery training session focused on modern slavery risks, how to identify modern slavery and suggested actions to complete in the event we become aware of a suspected or confirmed case of modern slavery within our business operations.

We continue to maintain our supply chain tiers and activities used at each stage of production and where these sit in the overall structure of our supply chain to further assist in highlighting where our risk of modern slavery is of

greatest concern. This alignment allows us to group activities to 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. We require all suppliers to provide their supply chain traceability information as part of their adherence to our Code of Conduct and Supplier Agreement.

This information must be provided to us prior to using any factory or facility for 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 maintained 100% knowledge of our Tier 1 (CMT) factories. Traceability remains an ongoing challenge, and we recognise more action is required in this area. To support our traceability objectives, we utilise certified fibres which helps with traceability of factories across Tiers 2, 3 & 4 of our supply chain. Over the last year, we have extended our understanding of Tier 2 and Tier 3 factories used for our products and we remain committed to continue our traceability program over the years ahead to better understand our supply chain and where modern slavery risk is greatest.

We know we have more to do with achieving full Traceability of our supply chain and have committed to continue to work towards a deeper understanding of all stages of manufacture over the coming years.

Selecting the right suppliers and factories to partner with is a crucial step in mitigating modern slavery risk across our business. To ensure our business partners (including suppliers and factories that manufacture our products) meet our expectations, we have implemented a thorough onboarding process that assesses a supplier or factories suitability to manufacture products for MESHKI. This process must be followed by all suppliers and factories prior to any approval 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 and sign and return a copy of the signed Code of Conduct, Supplier Agreement and a completed traceability form 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 any factory used in the manufacture of our products.

Our team visit selected suppliers and factories in their manufacturing location annually (or more frequently as required). Travelling teams consist of our senior management team, Buyers, Quality and Sustainability team members who meet with our supply chain partners to discuss current standards and look 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. During 2024, we continued to focus our attention on supplier and factory consolidation, reducing modern slavery risk by working with less factories. While this is an immediate action, our longer-term focus remains to move towards more vertical operations where modern slavery risk is reduced through the reduced use of sub-contracting overall.

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.

MESHKI have implemented a 'Mutual Recognition' audit program which allows factories to submit any audit format provided it meets our audit criteria (independently completed, aligns to a set standard and is less than 12 months old). We believe allowing the use of mutual recognition audits allows suppliers and factories more time to focus on remediation and improving conditions rather than repeated audits.

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

Where a factory cannot meet the requirements or requests extra time to complete remediation actions, we work 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 and factory partners. Internally, we have Chinese speaking team members 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 undertake internal periodic supply chain reviews (suppliers) which results in a grading score being applied to our key suppliers. The scorecard metrics focus on supplier and factory capability, performance and operational requirements amongst other criteria. We utilise 3<sup>rd</sup> party inspections as part of our overall supplier grading scorecard assessment and while primarily focused on product quality, we also look at other criteria while in the factories.

Supplier feedback is also encouraged by our team. We value our partnerships with suppliers and equally, value their feedback to help foster a healthy relationship. We ensure suppliers feel they can raise issues with us openly including during factory visits where there is a time to have open conversation between both parties.

Over the last year, we have also worked on developing our internal modern slavery remediation action plan. A key to developing our plan was to ensure the worker affected remains in control of the situation at all times. In the event a case of modern slavery is suspected or identified, we commit to appoint an independent party to investigate and report their findings directly to us. We have committed as part of our modern slavery policy to also discuss the findings and possible remediation outcomes with the affected worker prior to any action being taken.

As part of our overall supply chain governance, we also maintain and report sourcing KPI's to our operations and executive teams that demonstrate our supply chain's social compliance performance.

### **Assessing Our Actions**

The primary measurement of assessing our effectiveness in this area is how many cases of modern slavery we have identified within our business operations over the last year. We are pleased to report that we have identified zero (0) cases of modern slavery in our business operations (including our supply chain) during the last year.

While this is pleasing to see, we understand we must continually update our processes and modern slavery identification methods to ensure we keep up to date with the ever-changing area of modern slavery.

While we have not identified any cases of modern slavery in our operations, our modern slavery policy includes a remediation plan should a case of modern slavery be suspected or confirmed. This process 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.

### **Consultation**

MESHKI PTY LIMITED do not own or control any other entities and therefore this criterion is not applicable.

### **Approval**

At MESHKI, we recognise the important role we play in protecting workers against all forms of modern slavery and we remain committed to take the required actions to ensure modern slavery is not a part of our business operations. To support our commitment to ongoing improvement in this area, we acknowledge that our modern slavery preventative actions and reporting will further evolve as our understanding and approach to modern slavery deepens.

This modern slavery statement has been approved by Shadi Kord & Natalie Khoei, Co-Owners/Co-Directors on 25 March 2025.



**Shadi Kord**



**Natalie Khoei**

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