

COCO REPUBLIC®

Modern Slavery Statement 2020

Disclosure note

This statement has been made on behalf of Saveba Pty Ltd ABN 64 002 728 985. This Statement covers all entities and brands owned or controlled by Saveba Pty Ltd, including Coco Republic, Max Sparrow, Republic Furniture & Saveba Hospitality Pty Ltd trading as L'Americano.

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About us

Saveba Pty Ltd “Saveba” is a family owned business and has been operating in Australia since 1979. Saveba was registered in 1984 and traded under the name of Coco Republic, Max Sparrow, Republic Furniture during the reporting period.

The Company’s mission is to create breathtaking interior and our belief is that a home is your sanctuary and is an essential part of achieving a sense of well being. The company’s vision is to continue to lead the marketplace by providing sublime interiors with purpose. In 2014, Saveba Hospitality Pty Ltd, which is wholly owned by Saveba Pty Ltd was established and has traded under the name of L’Americano. L’Americano offers food and beverages with the aim of enriching the in-store experience for visiting clients and customers.

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About us

Saveba is driven by our Belief, Mission and Values. These are shared with our teams across Australia and New Zealand and are reinforced through our People & Culture tool and processes.

The values of the company are embedded in our name coco from Coco Republic, which are:

- Community
- Opportunity
- Care
- Ownership

Statement from the CEO and Chair

"Our company values are core to what Coco Republic represents. We believe addressing the modern slavery risks in our business is an important part of demonstrating these values. We are therefore pleased to present our first modern slavery statement and our commitment to implementing our 3 year roadmap."

- CEO Nicholas Foster & Chairman Paul Spon-Smith

COMMUNITY	OPPORTUNITY
Building an inclusive sense of belonging with colleagues and customers by: <ul style="list-style-type: none">• Working together with respect• Supporting each other• Creating a positive environment	Flourish and grow within the community through: <ul style="list-style-type: none">• Opportunities for learning & growth• Inspiration through fresh ideas• Innovation through new initiatives
CARE	OWNERSHIP
We care for our team, our community and our environment by: <ul style="list-style-type: none">• Reducing waste & improving process• Following health & safety and compliance laws• Valuing our local communities as part of our team• Creating a positive environment	Be the best we can be by: <ul style="list-style-type: none">• Showing integrity & ethics• Demonstrating high standards• Taking responsibility

Our initiatives

Our 2020 initiatives

In 2020 we focused on three areas of action. Firstly, we enhanced our understanding of modern slavery risks in our operations and extended supply chain by undertaking risk assessments of our suppliers and gap analysis of our operational practices. Secondly, we engaged our Board and senior management to raise their awareness of the issue and gain their commitment. Finally, we developed a detailed Modern Slavery Action Plan with clear actions, accountabilities and timeframes for implementation.

Our plans for 2021

To build on these initiatives we will engage our priority suppliers in Australia and in high-risk countries overseas to better understand their work force, the provenance of materials used in their products, and the systems and processes they have in place to manage modern slavery risk. We will develop the capabilities of our people (particularly our procurement and sourcing teams) through targeted training and education programs to identify potential risks and will continuously improve our systems and process to manage modern slavery risk in both our operations and supply chain.

Our plans beyond 2021

Beyond 2021 we will strive to enhance our understanding of risk in our extended supply chain and conduct due diligence on our priority Tier 2 suppliers. We will develop policies, guidance material and other documentation to fully integrate modern slavery risk management into all our systems and processes. We will continue to work with key stakeholders to integrate modern slavery risk management into sourcing, supplier onboarding and supply agreements. We will promote our initiatives to our staff, suppliers and across our industry sector.

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Reporting criteria 1 & 2

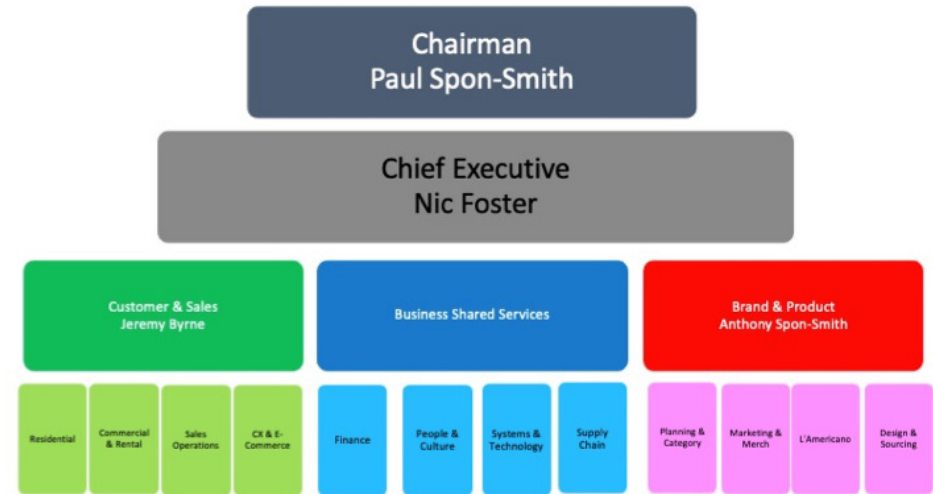
Our brands and structure

Our organisational structure

As a mid-size organisation with just over 300 employees, our organisational structure is largely a flat structure.

Our business is categorised into 6 Divisions:

- Residential (including our Showrooms & Residential Interior Design)
- Commercial (including Commercial Interior Design & Rental (Short term & Long term rentals)
- Wholesale
- Design School
- Shared Services (including Finance, HR, & IT)
- Middle Office (Warehouses, Marketing, Buying, Planning & Sales Operations)



Reporting criteria 1 & 2

Our brands and structure

Our governance framework

Saveba acknowledges that there are risks of modern slavery in the retail industry and we are committed to prevent risk of modern slavery in our business. In 2020, the company has established a Modern Slavery Action Group comprising our CEO, Head of Finance and Governance, Head of Planning, Head of People & Culture and Compliance Manager. Our CEO is overseeing the action group to ensure the Company is working in the following areas in addressing modern slavery:

- Actively assessing risks of modern slavery in different tiers of suppliers
- Establishing policies and procedures to provide guidance in relation to the Company's perspective of modern slavery
- Providing tools to educate our employees and our suppliers
- Providing findings to the Board on a regular basis.

By taking the above actions, we believe the risk of the company being exposed to modern slavery can be reduced.

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Reporting criteria 1 & 2

Our brands and structure

Our operations

As of 2020, the business has 12 showrooms throughout Australia and New Zealand and our head office is located in Alexandria, NSW. The products we provide include indoor furniture, homewares, lighting, rugs, art and outdoor furniture.

Besides providing retail services in Australia and New Zealand, the company has also entered into agreement and wholesale products into the United States market. The Company provided the following full service divisions, being: Coco Republic Interior Design, Coco Republic Property Styling and Coco Republic Design School.

In 2014, Saveba Hospitality Pty Ltd, which is wholly owned by Saveba Pty Ltd has been established and begun trading as L'Americano since 2015. L'Americano provides hospitality services and are located in Alexandria (NSW), Fortitude Valley (QLD) and Westfield Newmarket (NZ).



Reporting criteria 1 & 2

Our brands and structure

Our supply chain

Saveba relies on support of our operation partners and product supply chains to assist us with our business. The Company deals with over 450 entities in its operations and supply chains. For our supply chain, we source manufacturers from various countries, including Australia, China, Vietnam, India, Indonesia, Pakistan, The United States of America and New Zealand. The industries that are involved in the supply chain include but are not limited to manufacturer, logistics providers, information and communications technology (ICT), legal services, marketing services and real estate/ property management services.

We require our suppliers to comply with the relevant legislations in their countries and if they are in breach of any legal obligation, we may terminate their agreement. The diagram on P.11 shows the geographic location of our Tier 1 suppliers.

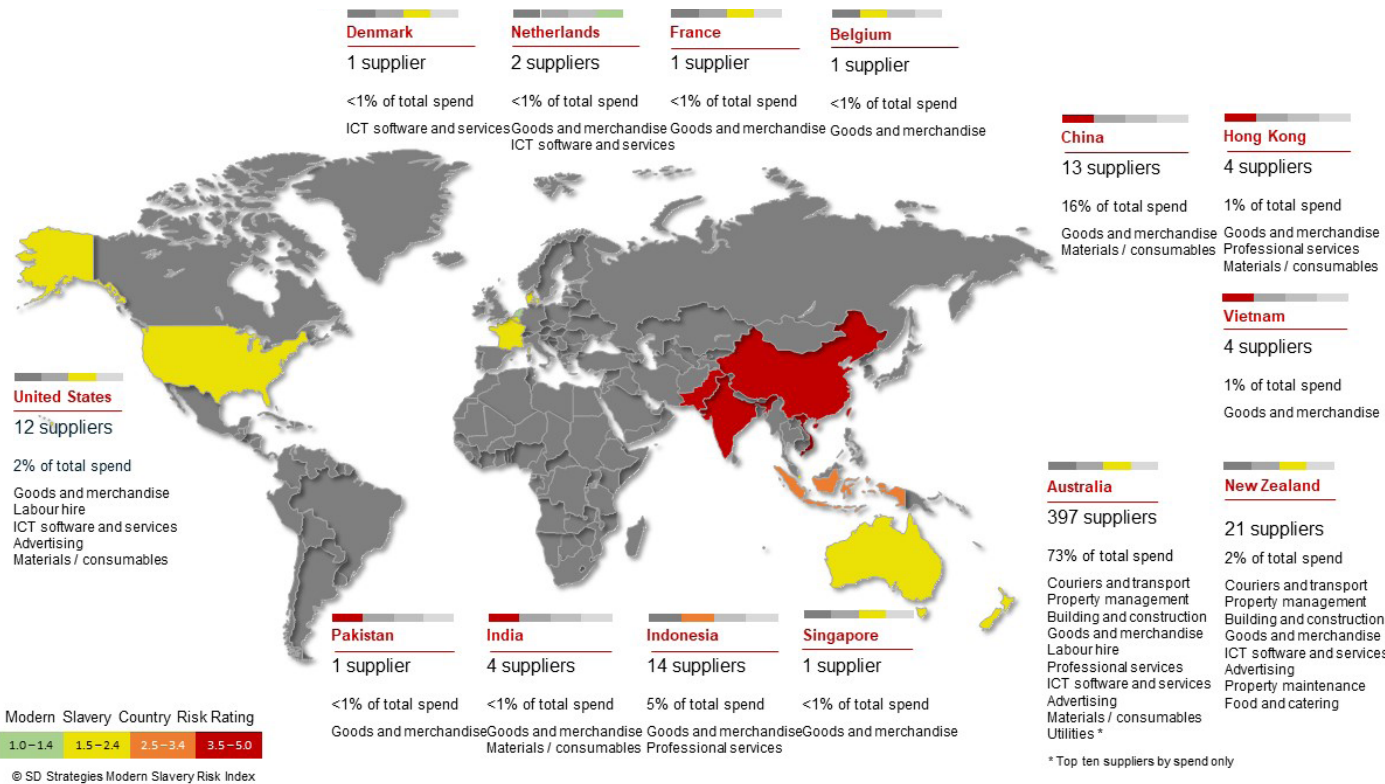
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Reporting criteria 1 & 2

Our brands and structure

Tier 1 supplier locations



Reporting criteria 1 & 2

Our brands and structure

Our people

Onboarding processes for our new employees are managed through an automated system which ensures provision and acknowledgment of Fair Work Information Sheet, submission of Australian work rights evidence, collection of taxation and superannuation details, and provision and acceptance of employment contracts. Any VISA sponsorships are managed through external registered migration agents. Our policies communicated to our teams which are updated from time to time, include Code of Conduct, Whistleblower, Social Media, Work Health & Safety, Anti Discrimination, Drug & Alcohol, and Harassment & Bullying.

Our employees are both Award covered and non Award covered. Employment conditions for all employees are as per National Employment Standards and this is referenced in all employment agreements. We monitor and implement Award pay rate increases throughout the year and conduct bi-annual internal audits on Award rate, penalty and allowances compliance. External audits are conducted on tax and superannuation compliance.

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Reporting criteria 1 & 2

Our brands and structure

Our Covid-19 response

The Company has continued to monitor the Coronavirus (COVID-19) situation. The safety and physical and mental wellbeing of our people, key stakeholders, suppliers and their workers is our priority. Given the uncertainty of the situation in Australia and globally, Coco Republic has introduced precautionary measures to ensure business continuity, while balancing the risks to our staff, stakeholders and communities well-being. We are working with our suppliers using a risk based approach based on their individual circumstances and capabilities to continue to operate in challenging conditions. We have been unable to undertake our regular supplier factory visits due to travel restrictions and in-country public health directives.

COVID-19 has impacted the implementation of our modern slavery program resulting in unavoidable delays to key elements which we hope to roll out in the 2022 reporting period.

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Reporting criteria 3

Modern slavery risks in operations & supply chain

Overview

Our focus in 2020 was on enhancing our understanding of modern slavery risks in our operations and extended supply chain.

Operational risks

With the support of external expertise, we undertook a modern slavery gap analysis workshop that involved executive management (CEO), and team leaders from finance, governance, procurement, planning, people and culture and compliance. A small group of our senior leadership team now forms the core of our Modern Slavery Working Group responsible for the coordination and implementation of our program.

The purpose of this initial workshop was to:

- Identify gaps in our systems and processes that may increase our exposure to modern slavery risks in our operations and supply chains
- Identify opportunities to improve and enhance our systems and processes
- Inform the development of our modern slavery risk management program

Supply chain risks

In 2019/2020 we focused on obtaining a deeper understanding of potential modern slavery risks associated with our direct suppliers and the operational processes in place to manage those risks. We engaged external expertise to help us document, assess and prioritise our Tier 1 (direct) suppliers against modern slavery risk indicators and identified our highest risk procurement categories and suppliers. We recognise that this is an ongoing process of continuous improvement and we will undertake further modern slavery due diligence of our suppliers in 2020/2021.

Operational risks

With the support of external experts, we undertook a modern slavery gap analysis to identify areas of improvement across five key categories:

- Management systems
- Human resources and recruitment
- Procurement and supply chain
- Risk management
- Customers and stakeholders

As a business with a relatively centralised workforce, we consider the risk of modern slavery within our direct business operations to be relatively low. However, we recognise the importance of enhancing our recruitment, training and professional development processes to increase awareness of modern slavery risks across our organisation. Developing the capabilities of our sourcing teams to continuously improve our procurement practices and deepen our supplier engagement is a priority. We also recognise that here are potential risks of modern slavery through our leasing, sub-contracting and other third-party relationships which must be managed.

Reporting criteria 3

Modern slavery risks in operations & supply chain

Modern slavery program - Gap analysis results

Our Modern Slavery Action Plan and three year map developed collaboratively with key internal stakeholders provides a comprehensive framework to identify, manage and mitigate risk. Elements of our action plan and three year roadmap are included in Criteria 4 'Actions Taken to Assess and Address Risk' on P. 18 – 19.

HUMAN RESOURCES

Awareness	■	□	□	□	□
Policies & Systems	■	□	□	□	□
Training	□	■	□	□	□
Labour Hire	□	■	□	□	□

SUPPLY CHAIN

Policy / Procedures	□	■	□	□	□
Contract Management	□	■	□	□	□
Screening / Traceability	■	□	□	□	□
Supplier Engagement	□	■	□	□	□
Monitoring / Corrective Action	□	■	□	□	□

CUSTOMERS / STAKEHOLDERS

Customer Attitude	□	■	□	□	□
Information Provision	■	□	□	□	□
Feedback Mechanisms	■	□	□	□	□
Worker Voice	■	□	□	□	□

RISK MANAGEMENT

Risk Framework	□	■	□	□	□
Operational Risk	□	■	□	□	□
Identifying External Risk	□	■	□	□	□
Action	□	■	□	□	□
Monitoring / Reporting	□	■	□	□	□

MANAGEMENT SYSTEMS

Governance	□	■	□	□	□
Commitment	□	■	□	□	□
Business Systems	□	■	□	□	□
Action	□	■	□	□	□
Monitoring / Reporting	□	■	□	□	□

Reporting criteria 3

Modern slavery risks in operations & supply chain

Supply chain risks

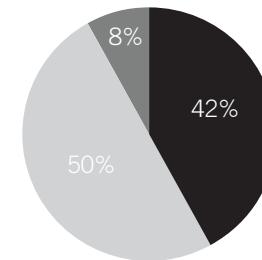
Key findings from the analysis:

- Approximately 50% of Coco Republic's spend on stock and non-stock items is potentially high risk for modern slavery
- 63% of suppliers are potentially high risk of modern slavery
- 13 of the 24 spend categories analysed were potentially high risk of modern slavery

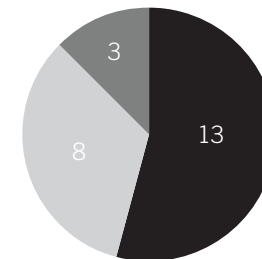
As one of Australia and New Zealand's leading furniture and design brands, Coco Republic has a mature and complex global supply chain that has evolved over the 40 years we have been in business. We assessed 479 suppliers, 179 providing stock items (which we sell) and 300 suppliers providing non-stock goods and services such as building maintenance services, ICT networking and support, office supplies, advertising, professional services etc. Many of our stock suppliers are based overseas whilst the majority of our non-stock suppliers are based in Australia. Overall, our supplier risk analysis suggests that while there is potential modern slavery risk in our supply chain, this risk is concentrated in a relatively small number of suppliers and spend categories. Deepening our understanding of this risk and taking concrete, practical steps to manage it will continue to be our focus in 2021.

Our procurement team, supported by external experts, analysed close to \$77 million of procurement data for potential modern slavery risk against four internationally recognised risk indices:

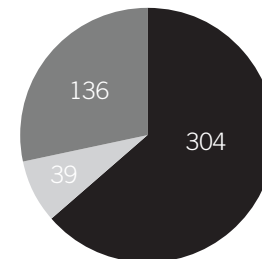
- **Industry sector** – Specific industry sectors deemed as high risk in international and national guidance documentation
- **Commodity/product** – Specific products and commodities deemed as high risk by the US Department of Labor's 2018 List of Goods Produced by Child and Forced Labor, the Global Slavery Index (GSI) and other international guidance materials
- **Geographic location** – Based on estimated prevalence of modern slavery and the government responses as outlined in the 2018 GSI and our consultant's proprietary risk profiles based on 13 county indexes of corruption, freedom of speech, worker rights etc. While we predominantly use suppliers based in Australia, we recognise that the goods and services they use in our products (our Tier 2 suppliers) may come from high risk countries
- **Workforce profile** – In undertaking our supplier analysis we considered the type of labour involved in the production of our goods and services, particularly where low skilled, vulnerable or migrant labour is used, or where the work is deemed as '3D' work (dirty, dull or dangerous)



RISK BY SPEND



RISK BY CATEGORY NUMBER



RISK BY SUPPLIER NUMBER

Reporting criteria 3

Modern slavery risks in operations & supply chain

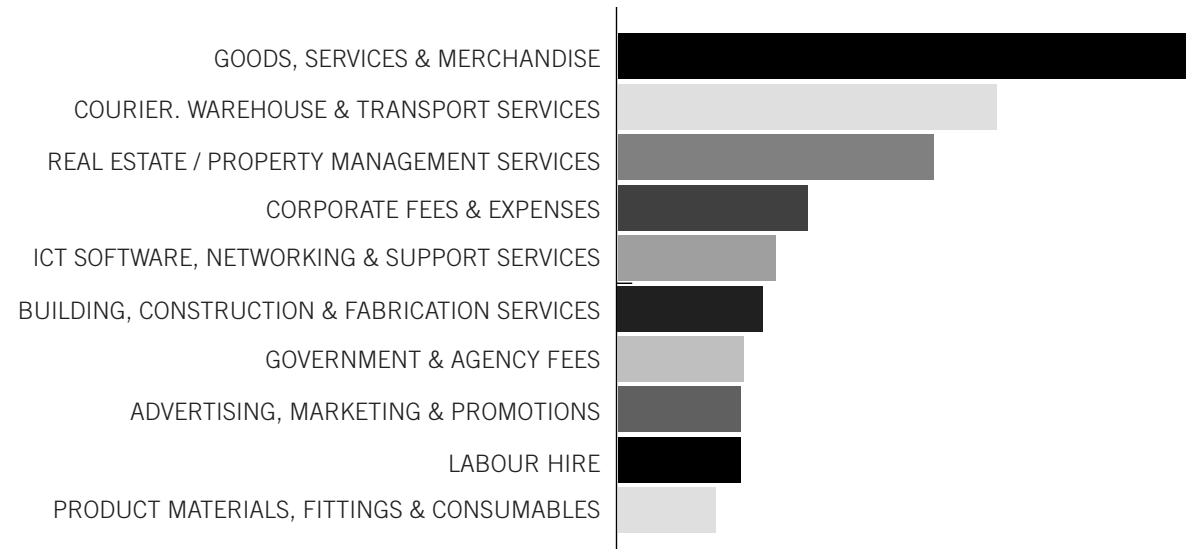
Category risk

We have identified five categories of goods and services as posing the highest potential risk for modern slavery:

- Goods, services and merchandise for sale (stock items)
- Building and construction services
- Labour hire
- Product materials and components such as fabric, leather, timber, hardware etc
- Property and facility maintenance such as cleaning and security

80% of our stock items are manufactured in countries considered higher risk for modern slavery such as China, India and Indonesia.

Our two highest risk non-stock spend categories are building and construction services (upgrades to facilities at our stores and display centers) and labour hire (engaging shop and customer support staff).



Reporting criteria 3

Modern slavery risks in operations & supply chain

Country risk

Our supply chain spans over 17 countries and locations, including Australia, Belgium, China, Denmark, France, Hong Kong, India, Indonesia, Macau, Netherlands, New Zealand, Pakistan, Singapore, Spain, Paraguay, United States and Vietnam.

We identified that over half of our high risk spend on stock items is with suppliers located in China, Hong Kong and Indonesia.

Eighty percent (80%) of our high risk spend is with eighteen suppliers:

- **12** based in China, Hong Kong, Indonesia, the United States and Vietnam supplying goods, services and merchandise
- **3** Australian suppliers of goods, services and merchandise
- **2** Australian suppliers of building and construction services
- **1** Australian supplier of labour hire.

The outcome of our high-level Tier 1 supplier analysis does not indicate that these companies are knowingly causing or contributing to modern slavery. These suppliers are however, in industry sectors or provide goods and services that are known to present higher risks for modern slavery both in Australia and internationally. They may also be operating in countries that are known to have higher risk of worker exploitation, underpayment of wages and excessive working hours. As such they are ranked as high potential risk and require further engagement and assessment.

While we intend to engage with all suppliers of goods and services to better understand modern slavery risks within their business over time, we have identified the following focus areas for 2020 and 2021:

- Engage our priority suppliers in Asia and Australia that provide our goods, services and merchandise to better understand their work force, the provenance of materials used in our products (e.g. leather, textiles, timber and hardware) and their systems and processes to manage modern slavery risk
- Engage priority suppliers in Australia of all other high risk categories to understand the capability of their systems and processes to manage modern slavery risk.

Reporting criteria 4

Actions taken to assess and address risk

Addressing modern slavery risks is a complex and challenging process. Our response will evolve over time as we continue to strengthen and refine our approach in future reporting cycles. We recognise the need to undertake human rights due diligence to identify, prevent, mitigate and account for how we address actual and potential adverse human rights impacts (including modern slavery) in our operations and supply chains.

Our modern slavery gap analysis informed the development of our modern slavery action plan and three year road map. Despite the challenges posed by COVID-19, in 2019 and 2020, we implemented several actions to assess and address our modern slavery risks as part of our initial due diligence process.

Modern slavery action plan and road map

A cross-disciplinary team, which included members of our Leadership Team, worked collaboratively to develop a focused modern slavery action plan and a three year road map. These include actions for enhancing our approaches to modern slavery governance, due diligence, risk and compliance; procurement and supply chain systems and processes; supplier engagement and monitoring; and broad awareness, training and communications.

The following actions were completed in this reporting period:

Modern slavery governance

Our Board was briefed on requirements of the Modern Slavery Act, key actions to be taken as part of our modern slavery program and options to establish a governance framework for managing risks. Modern slavery risk findings will be provided to the Board on a quarterly basis. We will continue to build on our governance framework to ensure actions for measurement and reporting on modern slavery risks are documented, communicated and verified.

Leadership team engagement and awareness raising

Our modern slavery gap analysis workshop was the first step in engaging our leadership team. Since the initial engagement, we have continued to communicate our progress to our leadership team and seek input and support on this important issue from across our business divisions. To maintain our momentum and monitor the rollout of our program, modern slavery is a regular agenda item in monthly risk management meetings.

Supplier risk identification and prioritisation

We reviewed and prioritised our highest spend suppliers against modern slavery risk indicators and identified high risk procurement categories and our potentially highest risk / highest priority suppliers.

Modern slavery action plan

We worked with external experts to develop a detailed Modern Slavery Action Plan based on the findings of the gap analysis workshop and supplier risk prioritisation. The Action Plan will drive our program over the next three years including key actions, responsibilities and timeframes for delivery. Progress implementing our plan will be reported to the Board quarterly and is a standing item for discussion at monthly senior management meetings.

Reporting criteria 4

Actions taken to assess and address risk

Modern slavery roadmap

While our focus for year 1 was on engaging our Board and senior management, identifying areas of potential operational risk, determining our highest risk/highest priority suppliers and building a modern slavery risk management framework, Year 2 will focus on engaging high-risk suppliers (both Australian and international) and enhancing the capability of our people, systems and processes to manage operational and supply chain risk. Year 3 will focus on monitoring and reviewing progress as part of our commitment to continual improvement.

The diagram on the right provides a summary of the key initiatives that we are looking to roll out between 2020 and 2022.

	Review / Plan / Engage	Implementation	Extend / Review
	<ul style="list-style-type: none"> • Develop Modern Slavery Action Plan • Undertake risk prioritisation on Tier 1 suppliers • Educate Board of directors on Modern Slavery Risks and Legislative Reporting Requirements • Establish Modern Slavery Working Group 	<ul style="list-style-type: none"> • Develop risk management plan to address modern slavery risks among priority suppliers • Assess labour hire contractors and outsourcing programs for modern slavery risks • Create high level internal modern slavery awareness program and form part of a new value of 'Care' 	<ul style="list-style-type: none"> • Undertake further due diligence of priority suppliers • Incorporate modern slavery risk management into supplier onboarding process • Develop guidance material for enforcing and assessing process for procurement team
	2020	2021	2022

Reporting criteria 5

Effectiveness assessment

Reporting and accountability

The measures taken to date establish a continuous improvement process to develop internal capabilities and iteratively improve our systems and processes. To track our journey to manage modern slavery risk, we have implemented a review process to ensure we are making tangible progress implementing our Action Plan:

Annual review

- Board

Our annual Modern Slavery Statement is signed off by the Board as per mandatory reporting requirements.

Quarterly review

- Senior management team (smt) and Board

Progress, issues and achievements implementing the Action Plan progress are reviewed by the SMT and Board quarterly as part of the compliance update.

Monthly review

- Working group and smt

Modern slavery progress are reviewed by the Senior Management Team monthly and issues addressed collaboratively between operational areas.

Effectiveness indicators 2019/2020

For 2020, we developed a set of process indicators to track the implementation of our modern slavery risk management program. These are included in the table adjacent.

INDICATOR OR TARGET	IN PROGRESS	COMPLETED
Compliance Manager delegated with responsibility for coordinating implementation of Modern Slavery Action Plan		X
Board and Leadership team engaged on issue and updated regularly		X
Tier 1 Suppliers in high - risk categories identified		X
Upgrading internal data management systems to capture relevant Modern Slavery risk information, actions & research	X	
Modern Slavery Action Plan developed including accountabilities for implementation		X

Reporting criteria 6

Process of consultation with others

Saveba Hospitality Pty Ltd is the only entity that is controlled by Saveba Pty Ltd and both entities share the same executive management. The Board in both entities understand the risk of modern slavery and are committed to limit the risk of modern slavery within our business, supply chain and global operations. The entities will work together in identifying and assessing the risks of modern slavery in our supply chain and reporting the risks to our Board to enable the Board to provide management strategy in accordance with the risks.

This statement was approved by the Board of Saveba Pty Ltd and its controlled entities on 29 March 2021.

Signed



Nicholas Foster
Chief Executive Officer

Saveba Pty Ltd
Saveba Hospitality Pty Ltd
29 March 2021

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