

OZSALE

MODERN SLAVERY STATEMENT

2020 - 2021

MODERN SLAVERY STATEMENT

This is the Modern Slavery Statement ('Statement') of OzSale Pty. Limited ('OzSale') for the financial year ended 30 June 2021. This Statement is made pursuant to 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 privately held outside of Australia and has the following current general business structure:

- Board of Directors:
 - Chairperson (non-executive) – Charles Butler
 - Chief Executive Officer – Carl Jackson
 - Chief Financial and Operations Officer – Mats Weiss
 - Non-executive Director – Wally Muhieddine,
 - Non-executive Director – Dow Famulak
- Executive Team:
 - Chief Executive Officer - Carl Jackson
 - Chief Financial and Operations Officer - Mats Weiss
- Our team:
 - OzSale has 129 employees within Australia and a head office located in Sydney. It 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.

OZSALE NZSALE SINGSALE MYSALE



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.

Marketplace

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

International Drop Ship

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

Own-Stock

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

OUR SUPPLY CHAIN:

Our supply chain is comprised principally of providers of finished branded products for distribution and sale. Our suppliers are located in Australia and at least 10 foreign countries.

Our supply chain also includes the suppliers of products and services that would typically be required by office, warehouse, workshop, and manufacturing operations.

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

RISKS IN OUR OPERATIONS:

All of our employees and operations are located in the Commonwealth of Australia and 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:

No evidence came to light indicating 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 done 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.
- No contract warranties and covenants are in place that specifically and robustly address modern slavery issues in their procurement agreements.
- No formal company policies are in place re: modern slavery avoidance or Whistleblower encouragement and protection.
- No obligations are imposed by our suppliers on their suppliers to implement robust contract warranties and covenants relating to modern slavery issues on their 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 most Australian companies that are subject to the Act are still in the early phases of designing and implementing 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 from the encouragement / insistence of their Australian customers such as OzSale and other major customers that may be subject to foreign legislation similar to the Act.

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”).

The Modern Slavery Risk Mitigation Program is intended to be continuously reviewed and improved as time goes on 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 be 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 and suppliers online.

2. Our Supplier Code of Conduct contains robust modern slavery contract warranties and covenants from suppliers and is meant to be signed by them as a binding contract. Acceptance of the Supplier Code of Conduct will be part of the onboarding process for all new suppliers and new contract awards starting in the next reporting period. It includes recommendations that our suppliers “push” these same warranties and covenants up the supply chain by including them in their procurement contracts with their respective suppliers (our second-tier suppliers).
3. Targeted, customised “due diligence” of suppliers identified as being at highest risk for potential modern slavery incidents. 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 own 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.

ADDRESSING RISKS:

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

- Commenced implementation of the Modern Slavery Risk Mitigation Program.
- Assigned a specific employee the primary accountability for overseeing execution of the Modern Slavery Risk Mitigation Program.
- Created an internal awareness document to increase the awareness and understanding of key employees regarding the Act and modern slavery risk.
- Nominated the suppliers previously designated as High risk in our Due Diligence process to receive 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.
- An additional 35 of our suppliers completed our customised due diligence survey, including many of those who had received the survey but not responded prior to the date of our last annual statement. (See – Section 3: Risks in our Supply Chain – for summary of findings.)

It is understood that we are just in the early stages of a modern slavery risk identification and mitigation journey with our suppliers and 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 has been designed – and 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 to the greatest extent feasible.

5. ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS TAKEN

Even though our Modern Slavery Risk Mitigation Program is still in its infancy and some of the noted actions were completed late in the reporting period covered by this Statement, it is clear to us that the actions we have taken in implementing and executing our Modern Slavery Risk Mitigation Program through the end of the reporting period have already been effective and aligned with the purpose and intent of the Act in at least 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.
- Establishment of the Modern Slavery Risk Mitigation Program has already begun to provide a significant increase in our visibility into our supply chain and the labour practices of our first tier suppliers by, among other things noted above, increased supply chain mapping, initial risk assessment, additional follow-up due diligence where warranted and a process to obtain robust, binding supplier warranties about modern slavery incidents and risks in their respective operations and supply chains.
- Establishment of 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 a modern slavery due diligence review.

7. OTHER RELEVANT INFORMATION

OzSale strongly supports fundamental human rights and the prevention of modern slavery and human trafficking. In addition to continuing to take the actions indicated by our Modern Slavery Risk Mitigation Program and further embedding it into our company processes and culture, we will be considering ways we may enhance the program such as, for example, how we can efficiently audit compliance with the Modern Slavery Risk Mitigation Program by ourselves and our suppliers and how we can effectively and feasibly expand the program to reach deeper into our supply chain beyond our first-tier suppliers.

Having said that, the reality is that ensuring that slavery and human trafficking is not taking place anywhere in our supply chain, and especially at tiers beyond our direct (first-tier) suppliers, will likely remain a significant ongoing activity for the foreseeable future. However, we have implemented a risk-based approach and are committed to achieving continuous improvement through the actions described in this Statement, including ongoing modern slavery training to our own employees. OzSale is committed to the spirit and intent of the Modern Slavery Act.

BOARD APPROVAL

The Board of Directors of OzSale, its principal governing body, has unanimously approved this Statement on 25 August 2021 and authorised Carl Jackson, CEO, as the responsible executive of OzSale to sign this Statement in accordance with the Act.



Carl Jackson
CEO