



MODERN SLAVERY STATEMENT 2022

KOOKAI

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1. INTRODUCTION

OUR COMMITMENT

KOOKAÏ is committed to mitigating and eliminating risks of worker exploitation throughout our supply chain, adopting a zero-tolerance approach to any form of exploitation and modern slavery, whilst striving to facilitate worker empowerment.

KOOKAÏ is committed to respecting and upholding human rights. We condemn and are opposed to modern slavery in all its forms. KOOKAÏ is committed to mitigating and eliminating the risk of exploitation of any individual throughout its supply chain and within our labour practices, taking every effort to ensure that as a business we act ethically and responsibly.

KOOKAÏ is a family-owned and run business, based in Melbourne, Australia. Since our beginnings in 1992, we have continued a pursuit of an ethical and meaningful existence in the fashion world. This mantra governs the way we conduct our business across all facets of KOOKAÏ. Fashion is so much more than creating beautiful clothing and an engaging in-store experience, it's also about the footprint we leave on the planet and the impact we have on all those who contribute to the creation of the KOOKAÏ collection.

We recognise that modern slavery is a complex and systemic global challenge, the nature of which is often hidden yet wide spread across international borders, industries and jurisdictions therefore demanding a multifaceted and united approach across both private and public sectors. As a leading women's fashion business operating within the garment and textile industry, KOOKAÏ acknowledges our responsibility in contributing towards efforts to combat the prevalence of modern slavery.

As a business, worker welfare is of paramount importance, we are however in the early stages of our journey in establishing modern slavery centric procedures. Nonetheless, we are committed in our efforts to mitigate and remediate the risk of any form of exploitation identified within our operations. KOOKAÏ adopts an ethical and transparent approach to business, working collaboratively with our suppliers and business partners, and listening to our customers. We welcome the opportunity to collectively grow our understanding of modern slavery, and to strive for improvement to strengthen our due diligence to better prevent worker exploitation and create lasting, purposeful change.

1. INTRODUCTION

OUR ACTIONS

OVERVIEW OF FY22

KOOKAÏ has reviewed the description of our operations, supply chain and identified risks to ensure the accuracy of responding to modern slavery risk during the second year of reporting.

Transparency and traceability in our supply chain remains to be a key component in our strategy to address and mitigate worker exploitation.

We have focused on consolidating our supply chain to a reduced number of long-standing suppliers. Maintaining open channels of communication and ongoing dialogue with our suppliers has been a priority, this is a result of the strong rapport and long lasting relationships built over time. This has been crucial in our ability to work collaboratively with our suppliers, and increase visibility in our supply chain.

Whilst our actions to address and assess modern slavery are substantively similar we are committed to our ongoing journey.

OUR ONGOING JOURNEY

KOOKAÏ remains committed to our ongoing journey to have a considered and meaningful impact as a brand.

We are always striving for continued improvement, and recognise the importance of constantly working to further build on and evolve our current framework.

KOOKAÏ is committed to advancing the maturity of our ethical business practices, and continuing to improve our capacity to assess and address modern slavery in future reporting periods.

To support the effectiveness of the overall identification and management of risk we will continue to review existing strategies, policies and procedure with the intention of enhancing our ability to report on human rights diligence, and focus on strengthening our labour risk management to identify and address worker exploitation in our supply chain.

1. INTRODUCTION

OUR COMPANY

This Modern Slavery Statement ('Statement') was prepared by the reporting entity Magi Enterprises Pty Ltd trading as 'KOOKAÏ' (ACN 154 423 613) (the 'Company'). The Company is an Australian privately owned company, and the main operating entity of a corporate group of companies that operate the global KOOKAÏ business across various jurisdictions. References to KOOKAÏ throughout this Statement refer to the Company, and the aspects of the supply chain it manages.

The Company's registered office is located at 8-14 Hall St, Hawthorn East, Victoria, Australia.

This Statement has been prepared pursuant to the Modern Slavery Act (Cth) 2018 ('the Act') and associated guidelines, as a single reporting entity statement, in relation to the financial year ending 30 June 2022. In accordance with the Act, KOOKAÏ makes this statement to publicly announce our commitment to tackle modern slavery and explain the measures we have established, whilst providing a detailed overview of the Company and our actions taken to identify, assess and address the risk of modern slavery within our supply chain and across our business operations.

This Statement was approved by the Sole Director of Magi Enterprises Pty Ltd on 31 December 2022.



Ratu Qativi Robert Charles Simon Cromb

Sole Director/Secretary
Magi Enterprises Pty Ltd

KOOKAÏ

2. OUR OPERATIONS & SUPPLY CHAIN

OUR OPERATIONS

KOOKAÏ was established in 1992, and is a private, family-owned and run business, based out of Melbourne, Australia. KOOKAÏ is a renowned women's fashion label, defined by an essence of femininity, confidence, allure, and independent style, specialising in women's apparel, footwear and related accessories.

The Company operates 41 retail boutiques across Victoria, New South Wales, South Australia, Queensland, Western Australia and an online e-boutique.

KOOKAÏ currently manufactures and sources product from the following countries

- Australia
- China
- Fiji
- India
- Italy
- Japan
- Korea
- Sri Lanka
- Turkey

OUR SUPPLY CHAIN

KOOKAÏ recognises the importance of taking action to support workers within our supply chain where we have control, but to also be forward focused and continue our journey towards promoting responsible purchasing practices to facilitate meaningful change, to mitigate risks of modern slavery and to collectively work towards a more ethically focused fashion industry.

There are two key facets to KOOKAÏ's supply chain –

MERCHANDISE	NON-MERCHANDISE
KOOKAÏ branded products designed or sourced in-house by KOOKAÏ designers, product and buying teams	All goods and services related to non-retail products, required as part of KOOKAÏ's business operations

2. OUR OPERATIONS & SUPPLY CHAIN

KOOKAÏ MERCHANDISE

It is commonly accepted that each stage in the clothing industry's value chain is referred to as a certain 'tier'. Our supply chain can broadly be set out in the following categories

TIER 1 **Final stage production**

Consists of manufacturing or procuring finished goods, also referred to as Cut-Make-Trim (CMT) manufacturing (cutting, sewing, printing)

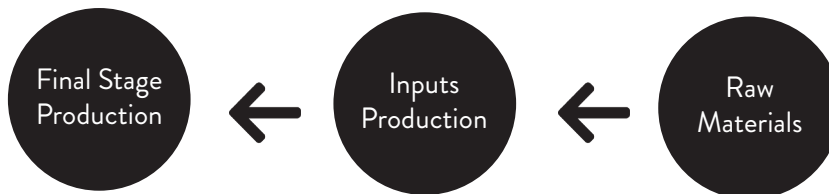
TIER 2 **Inputs production**

Refers to the textiles production (including fabric mills, spinning, knitting, dyehouse weavers, embroidery, leather tanning)

TIER 3 **Raw Materials**

Consists of raw material production (including farms and forests which grow particular fibres, and animal husbandry)

KOOKAÏ products are sourced from a combination of suppliers. A significant portion of our final stage production occurs within our own privately owned manufacturing facilities located overseas, the remainder of our finished goods are sourced from trusted third party suppliers offshore. Similarly, a significant portion of fabrication used within our basics collection is sourced within Australia, whilst the majority of our inputs and raw materials are sourced from third party suppliers.



2. OUR OPERATIONS & SUPPLY CHAIN

KOOKAÏ OWNED FACILITIES

The majority of the KOOKAÏ collection is produced out of our own manufacturing facilities in Fiji and Sri Lanka, as part of KOOKAÏ's overall pursuit of an ethical and meaningful existence.

Supporting workers through mindful manufacturing is embedded in our ethos and practice. KOOKAÏ cares about how our garments are manufactured, by who, and the employees' working environment. Working conditions and worker welfare is of paramount importance and is why we choose to own and operate our own manufacturing facilities in Fiji and Sri Lanka.

Dissatisfied by the working conditions of some of the factories we had visited internationally, we made this decision to improve transparency in our supply chain and to ensure we have full control and visibility of the conditions of employment for our manufacturing employees, and the quality of products produced.

KOOKAÏ is proud to have a vertically integrated manufacturing model, from design, to manufacture, to retail. Each of our garments starts its life in our Australian head office, where it's designed by our in-house design team, brought to life by our pattern makers and machinists, sampled and fitted – all occurring within Australia. From there, we manufacture our finished goods from our privately owned factories (which produce approximately 80-85% of the KOOKAÏ collection) in Fiji and Sri Lanka.

Our Australian team is in constant communication with our manufacturing facilities, with representatives from our head office and our manufacturing facilities meeting regularly to collaborate and provide training.

2. OUR OPERATIONS & SUPPLY CHAIN

Where are our primary manufacturing facilities located?

Magi Enterprises Fiji, Suva, Fiji

Daniva Rd Vallee, Nasinu, Fiji

Our Fiji manufacturing facilities employ just under 1,000 Fijian residents, approximately 89% female employees who produce the majority of the KOOKAÏ basics collection, as well as having an executive and head office team. No migrant workers, or temporary workers are employed within these facilities.

Magi Enterprises Lanka, Hanwella Sri Lanka

Suduwella, Kaluggala, Hanwella

Our Sri Lankan manufacturing facilities employ just under 750 Sri Lankan residents, including approximately 75% female employees who produce the majority of the KOOKAÏ fashion collection, as well as an executive and head office team. No migrant workers, or temporary workers are employed within these facilities.

2. OUR OPERATIONS & SUPPLY CHAIN

Working together with third-party suppliers

Stemming from our commitment to mindful manufacturing, we are committed to aligning our business with responsible sourcing at the centre of our decisions. The remaining majority of our supply chain, particularly across the input stage of production (Tier 2) and raw materials (Tier 3) are sourced from third-party suppliers. KOOKAÏ values its relationship with our global third-party suppliers, and we pride ourselves on creating long-standing relationships with many of our suppliers.

We have cultivated a level of trust and understanding in our supplier relationships which is testament to our current working practices which we will continue to build upon. Our close relationships with our suppliers enable us to collectively work together on improving our practices to better protect workers. We actively align our business with suppliers who embrace our ethos and are similarly committed to our values and adhere to standards of labour practices within the countries we operate.

NON-MERCHANDISE

We recognise that our business utilises and engages a broad range of goods and services providers. Our obligation to embed mindful and ethical purchasing practices extends beyond our branded merchandise and applies across our entire business operations. We have a responsibility to mitigate risks of modern slavery throughout all aspects of our business operations where possible.

3. OUR MODERN SLAVERY RISKS

Risk of modern slavery practices

KOOKAÏ makes every effort to ensure that as a business we act ethically and responsibly, ensuring that no individual within our operations is subject to any form of exploitation, adopting a zero-tolerance approach to any form of modern slavery.

We confirm that we have not identified or become aware of any actual or suspected instances of modern slavery within our supply chain over the reporting period. Nonetheless, we acknowledge that it is possible that there may be modern slavery risks further down and deep within our supply chain; particularly within areas where we have reduced visibility including the input stage of production and through labour practices used by raw material suppliers.

The Global Slavery Index 2018, produced by the Walk Free Foundation, is a global study of modern slavery. The study reported that there were an estimated 40.3 million victims of modern slavery on any given day – of these, 24.9 million people were in forced labour; women and girls are vastly over-represented, making up 71 percent of victims. Modern Slavery is widespread and pervasive, often unacknowledged, it is a crime that affects countries globally, reaffirming that the risk of slavery remains a critical issue for all countries and industries.

Despite its pervasive nature, identifying confirmed incidences of modern slavery is extremely challenging. Modern slavery is highly complex especially given the diverse and globalised nature of our supply chain, therefore conducting risk assessments helps to better understand and identify the risks of modern slavery.

3. OUR MODERN SLAVERY RISKS

Risk of modern slavery practices in our industry

The garment and textile industry is a sector most likely to risk having modern slavery victims within its supply chain. In accordance with the 2018 Global Slavery Index, the report identified garments (apparel and clothing accessories) at high risk of being produced by forced labour. The industry is particularly susceptible to worker exploitation due to the heightened globalisation of suppliers and manufacturers and consequently the multilayered and fragmented nature of the supply chain. The most prevalent modern slavery risks within our industry include the following:

- Forced labour
- Bonded labour
- Exploitation of vulnerable workers
- Unauthorised sub-contracting and outsourced labour
- Deceptive recruitment practices including charging of recruitment fees
- Child labour
- Temporary and migrant workers
- Excessive overtime
- Underpayment of wages, overtime and entitlements

3. OUR MODERN SLAVERY RISKS

Geographical risks of modern slavery & worker exploitation

The risk of modern slavery varies between countries.

Understanding that there may be increased risks within our operations due to the geographical location of our suppliers throughout our supply chain, we analysed the data from the Global Slavery Index 2018 to identify countries that may have a higher risk of modern slavery.

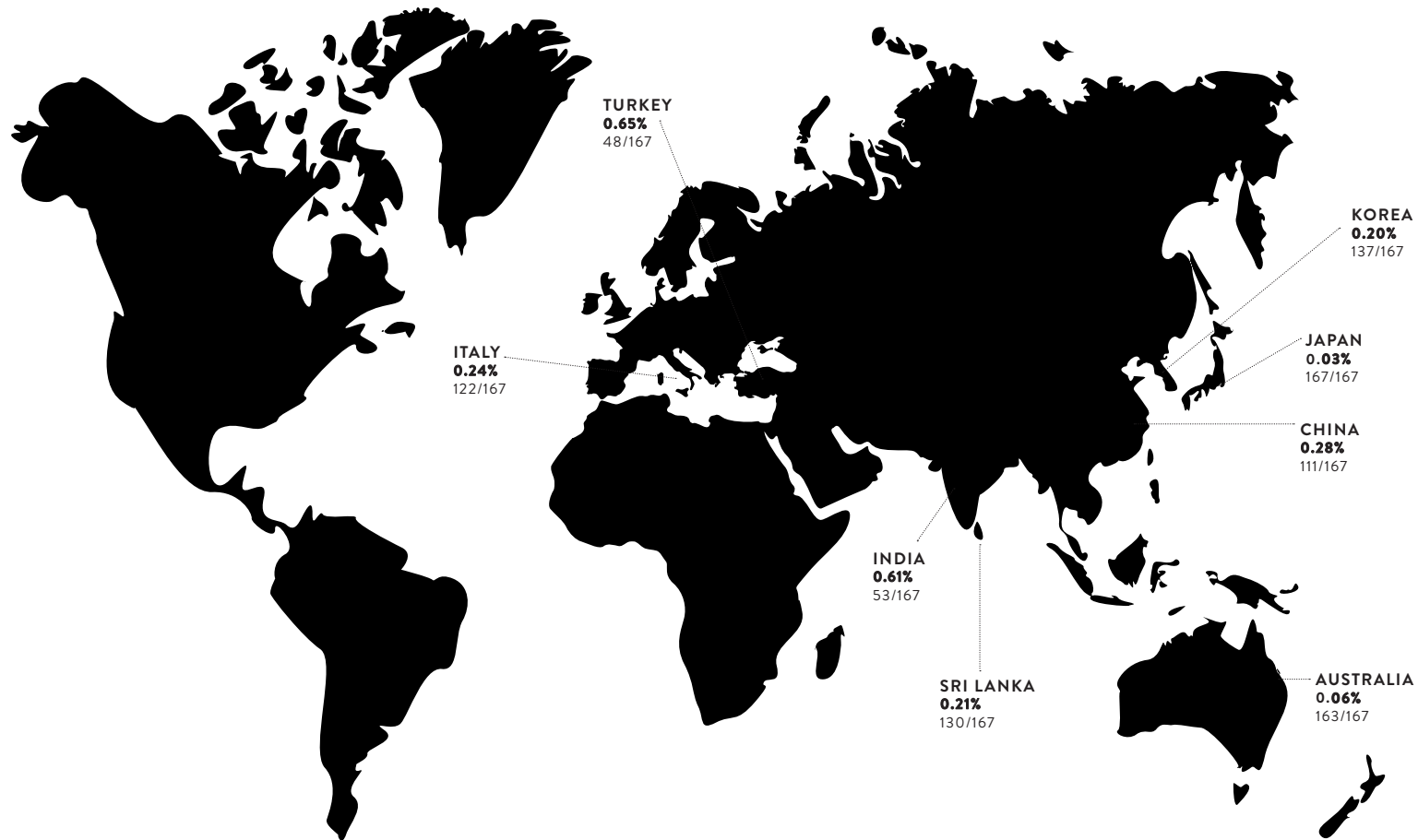
The report measured the prevalence of modern slavery country by country, providing a ranking index of the number of people estimated to be victims of modern slavery – accordingly the study revealed that there were 5.4 victims of modern slavery for every 1,000 people in the world.

Of the countries from which KOOKAÏ manufacturers and sources product across all known tiers of the supply chain, the following map provides an assessment of the country level prevalence and the estimated proportion of individuals subject to modern slavery.

3. OUR MODERN SLAVERY RISKS

GEOGRAPHICAL RISKS OF MODERN SLAVERY & WORKER EXPLOITATION

This map visually represents KOOKAÏ source countries in our supply chain and the prevalence of their associated risk of modern slavery



Estimated proportion living in modern slavery (percentage of total population)
Prevalence Index Rank (country ranking)

4. ACTIONS TO ASSESS AND ADDRESS RISK

KOOKAÏ recognises the importance of taking meaningful action to identify and respond to modern slavery risks. We have adopted a broad range of policies and procedures as our framework to support our team and suppliers in understanding the ethical standards expected in all dealings with the KOOKAÏ business.

SOCIAL GOVERNANCE

KOOKAÏ has a dedicated Ethics and Sustainability Committee ('Committee'), comprised of members across all departments (including supply chain management, legal, retail, branding, store design and IT departments) and with representatives from our executives to ensure we meaningfully adopt a whole company approach in terms of environmental and social governance.

The focus of the Committee is to keep ethical initiatives, human rights, and responsible purchasing practices at the core of everything we do, from head office right throughout the supply chain and our retail stores.

The Committee is led by Co-Chairs, responsible for the general oversight however we are a collective body which operates collaboratively. The Committee reports to and is ultimately accountable to our Chief Executive Officer and Managing Director.

ONBOARDING

KOOKAÏ makes every effort to ensure that as a business we act ethically and responsibly, and to promote an inclusive workplace. Therefore, we expect that the suppliers who we work with will adhere to these values and will strive do the same.

As we continue to evolve and move towards more sustainable and ethical practices, KOOKAÏ is committed to ensuring that the suppliers and manufacturing facilities that we work with are both environmentally conscious and socially compliant.

To achieve this commitment, we require all suppliers to review, sign and commit to our Environmental and Social Governance documents which outline the minimum standards of labour practices and responsible business operations expected of all suppliers when entering and engaging in business with KOOKAÏ.

4. ACTIONS TO ASSESS AND ADDRESS RISK

OUR POLICIES AND PROCEDURES

The following policies assist in managing social governance compliance within our operations.

Code of Labour Practices – the Code of Labour Practices ('Code') sets out our expectation of suppliers in relation to labour rights and integrity. The Code draws upon international standards and is specifically based on the Ethical Trade Initiative ('ETI') Base Code, which covers the International Labour Organisation ('ILO') Fundamental Principles and Rights at Work. The Code applies to all known suppliers across all stages of production in the supply chain with the expectation that the Code will be adhered to.

Through social compliance audits, we monitor whether our third-party suppliers adhere to our Code, and whether they require similar standards of their own in alignment with the ETI Base Code. Compliance with our Code is built within our contractual dealings and is specified within our standard terms of trade which is required to be signed by all suppliers, and service providers.

Child Labour and Remediation Policy – Child labour has no place in our supply chain, and we are firmly opposed to all forms of child exploitation. KOOKAÏ believes the future development of children and that of their communities and countries in which they live, is best served through education and not child labour.

We require suppliers to agree to our Child Labour and Remediation Policy. In the circumstance that child labour is identified, we expect that suppliers will genuinely work in partnership with KOOKAÏ and the appropriately qualified organisations to develop a responsible solution that is in the best long-term interests of the child. In developing a remediation plan we will seek advice and guidance from a credible civil society organisation that deals with child labour or the welfare of children to ensure that the best interest of the child is at the centre of any decision/redress. In addition to company policies and comprehensive recruitment processes, we monitor the risk of child labour through independent third-party audits to ensure it does not occur and is eliminated throughout our supply chain.

4. ACTIONS TO ASSESS AND ADDRESS RISK

Responsible Purchasing Practices Policy – KOOKAÏ maintains a Responsible Purchasing Practices Policy, this operates as an internal policy which applies to all of our designers, product, buyers, production and supply chain teams. This sets out the ethical code that governs our purchasing decisions, providing guidance in ensuring we choose to work with suppliers who act ethically and responsibly and in turn ensures that we consciously manage our purchasing behaviour when dealing with suppliers.

As part of our overall ethos, we maintain a strong focus on developing rapport and engaging with suppliers directly, knowing our suppliers and building relationships to increase visibility and aid in monitoring responsible purchasing. We are in a unique position owning our manufacturing facilities, which gives us the ability to base our purchasing practices upon our factories' capacity so as to ensure that all purchases are managed carefully and effectively.

Whistleblower Policy – We hold ourselves to very high standards of integrity and professional conduct. We are committed to fostering a culture of good corporate governance and ethical behaviour. This policy applies to any suspected or actual instances of illegal, unethical or otherwise improper or unacceptable conduct, including breaches of our internal KOOKAÏ Code of Conduct.

TRANSPARENCY

Traceability and knowledge of our suppliers are crucial in our efforts to address modern slavery risks and to advocate for a robust labour rights management system. Operating within the fashion industry we recognise that we have an expansive supply chain and acknowledge that complete traceability across all tiers of manufacturing remains a challenge to continue working towards and overcome.

We recognise that our supply chain is complex and extends beyond the 'first tier'. Our close relationships are primarily with textiles suppliers who are at the final stage of manufacturing (Tier 1) and a proportion of longstanding third-party suppliers at the inputs stage (Tier 2). We maintain open communication with our suppliers, however we have not yet reached a position where we can confidently disclose full visibility over inputs stage (Tier 2) and sourcing of raw materials (Tier 3).

4. ACTIONS TO ASSESS AND ADDRESS RISK

TRANSPARENCY

We are committed to building upon the strong relationships with our long-standing third party suppliers as we work to create greater transparency in our supply chain. This remains a key focus area as we continue with the process of further mapping and tracing our supply chain to identify suppliers across all inputs. We acknowledge limitations exist with having visibility over the supply chain in its entirety.

SOCIAL COMPLIANCE AUDITS

Social compliance audits are performed regularly to ensure safe and hygienic work conditions, an engaged and motivated workforce, strong governance and accountability, and payment of fair wages. KOOKAÏ conducts social compliance audits via independent third parties at our own manufacturing facilities in addition to requiring audit documentation for third party suppliers through our supply chain. The audit results are monitored and KOOKAÏ works closely with both of its manufacturing facilities on any improvements that need to be made.

5. ASSESSING EFFECTIVENES

KOOKAÏ is committed to striving for continuous improvement to strengthen our due diligence to better identify, address and mitigate risk of worker exploitation and create lasting purposeful change.

We monitor the effectiveness of our actions through the following measures:

- Social compliance audits, in addition to requiring audit documentation for third party suppliers to monitor worker exploitation or any real or suspected risk of modern slavery.
- Continually reviewing our policies and procedures to identify opportunities for improvement in our practices and overarching framework implemented to encourage ethical standards and social governance compliance within our supply chain
- Ensuring our team are always equipped with the most up to date knowledge and training on issues connected to modern slavery; creating a culture of awareness, compliance and accountability.

- Being open to change, and responding to feedback and suggestions for improvement in the way we conduct our business across all levels.

We acknowledge modern slavery is a complex and multi-faceted issue, which is extremely difficult to identify and inherently difficult due to the general nature of the garment and textile supply chain. KOOKAÏ is committed to reflecting, developing, and expanding our due diligence in addressing modern slavery and our ability to respond to emerging risks as we as we continue to grow and evolve as a business.

6. OTHER RELEVANT INFORMATION

INDUSTRY COLLABORATION

KOOKAÏ is proud to have been featured in and a long-standing active participant in the annual Baptist Ethical Fashion Report. We have been placed in the mid-tier of brands and retailers in Australia.

KOOKAÏ commends the purposeful role of Baptist World Aid in raising awareness around the risks associated with the fashion industry, the vulnerability of garment and textile workers, and championing for lasting change.

Baptist World Aid Australia publishes the annual Ethical Fashion Report which evaluates brands on the strength of their system to reduce the risk of modern slavery, child labour, exploitation, and environmental degradation in their supply chains, whilst promoting worker employment and maintaining strong labour rights management systems.

6. OTHER RELEVANT INFORMATION

GENDER EQUALITY

Gender inequality, discrimination and rights violations are commonly faced by women in the apparel industry. Women are particularly vulnerable and at high risk of being victims of modern slavery. As a business we are committed to empowering women and introducing measures to address and combat gender inequality, these overarching efforts strengthen and reinforce our efforts to mitigate modern slavery.

We maintain comprehensive policies against workplace discrimination and harassment. Discrimination on any basis, including gender, is not tolerated in any of our privately owned facilities. Our policies and procedures prohibit discrimination on the basis of gender, additionally our policies provide a strategy and process on how to report, address and resolve any such circumstance should it arise.

We are proud of the initiatives that we have in place, we go beyond the documented policy and live and breathe gender equality in practice, aspiring to create opportunities for females at all levels with a significant proportion of our workforce being women.

Our efforts to proactively address discrimination faced by women can be evidenced in our efforts to successfully provide equal opportunities – over 70% of our employees are female, extending to the management level, including at executive level. Our executives have implemented programs that specifically consider many of the issues faced by women to uplift the standard of living for our female workers through various educational programs run at the workplace

Additionally, our Code of Labour Practices incorporates provisions which specifically address and take into consideration issues relating to gender inequality, particularly faced by women, which are likely to be experienced within the garment and textile industry. In addressing discrimination faced by women in the apparel industry, our strategy is based upon working together with our suppliers to support them in addressing and remedying breaches, particularly on issues regarding gender inequality.

KOOKAI

We welcome your feedback or any queries relating to our actions to assess and address modern slavery risks in our business operations and supply chain. To learn more about KOOKAI, and our commitment to mindful manufacturing, ethics and sustainability please visit our website <https://www.kookai.com.au/>, or for additional information on our policies and procedures please contact us.

legal@kookai.com.au