



MOSAIC

BRANDS LTD

MODERN SLAVERY STATEMENT 2020

Millers
WOMAN



rockmans

• NONIB •



• KATIES •

AUTOGRAPH •

W•LANE •

crossroads •

beme

INTRODUCTION

As one of Australia's leading women's apparel retailers, Mosaic Brands prides itself on its many years of strong supply chain partnerships and the dedication across all parties to deliver on the Group's ethical and social sourcing responsibilities and policies.

Mosaic Brands acknowledges the risks of modern slavery in global supply chains and is committed to working with supply partners that represent our high levels of ethical integrity and values. This is accomplished through working with each of our garment supply chain partners to ensure strict adherence to the Group's policies.

At Mosaic Brands we take our ethical and social responsibilities very seriously. We have a zero-tolerance approach when it comes to modern slavery and are focussed on upholding all human rights, fair working conditions and both legal, moral and ethical standards as required by the Modern Slavery Act 2018.

Through our dedicated Production and Compliance department, supply chain vendors working with Mosaic Brands must demonstrate adherence to our policies and provide relevant certificates and compliance documents before supplying to any brand within the Group. To further ensure compliance, the Group also engages third party agents (Qualspec) to conduct independent verifications.

This Modern Slavery Statement describes the minimum requirements for all our apparel product suppliers and is adhered to by working in partnership with each vendor. It details the multifaceted risks found in sophisticated international retail supply chains and the focus needed to identify those risks and any proactive actions required.

COVID-19

The impacts of COVID-19 over the past year may increase potential risks throughout global supply chains with regard to modern slavery. These risks have been considered within the Group and we have reviewed our policies where necessary to navigate this new challenge.





MODERN SLAVERY

Modern slavery is a serious exploitation of any person's right to freedom and a violation of their human rights. Mosaic Brands will not accept the following practices, which constitute modern slavery, from any supplier or business partner:

- Human trafficking
- Slavery
- Servitude
- Forced labour
- Debt bondage
- Forced marriage
- Child labour

This is our first Modern Slavery statement and has been prepared in accordance with the Modern Slavery Act 2018. This statement describes the following for the Financial Year 2020:

1. Our Company
2. Our Structure, Operations & Supply Chain
3. Potential Risks
4. Opportunities and Action Plans
5. Assessing & Measuring the Effectiveness of Actions

OUR COMPANY

Mosaic Brands is a public company listed on the Australian Stock Exchange (ASX: MOZ).

Over the past 6 years the Group has grown to become one of the largest women's specialty fashion retailers within Australia, spanning 1,200 stores and employing approximately 5,700 team members.

Starting in 2014, with the change in ownership of the Noni B brand, the founding Kindl family and other shareholders sold 86% of the company to Alceon Private Equity.

This classic fashion brand with over 200 stores nationally represents a cornerstone within the Australian retail market. After two successful years resulting in the brand turning around and delivering a profit, Noni B acquired Pretty Girl Fashion Group on 5 September 2016 from CPH Holdings. This acquisition brought three additional brands into the fold: Rockmans, W.Lane and Beme.

The combination of the now four brands overnight created the fourth largest women's specialty fashion retailers within Australia, spread across approximately 600 stores and catering to a wide female market offering classic to contemporary fashion, as well as plus size.

Two years later and after the four brands posted record years of sales and earnings the Group grew further with the acquisition of 5 brands from the Specialty Fashion Group stable. These brands: Millers, Rivers, Katies, Autograph and Crossroads, joined the Mosaic Group and resulted in the creation of one of the largest women's specialty fashion retailers in the country.

All 9 brands in the Group have a unique DNA and handwriting that sets them apart from their competitive set, with each brand underpinned by a dedicated team both in the Support Centre and in stores.

We research globally to identify trends, fabrics and shapes that are crafted to create ranges that inspire our customers through fit, value and quality. Core to our Group's belief is our "can-do" culture as we look to continuously expand both in the digital world as well as through our store portfolio.

"Our collective purpose is to help our customers express their love of life - by embracing the truth that every occasion is a special occasion, worth feeling fabulous for." Scott Evans, CEO

Further information about Mosaic Brands Limited's business and operations, including its corporate governance arrangements, are available at <https://mosaicbrandslimited.com.au/corporate-governance>.

Companies covered by this statement include:

- Mosaic Brands LTD ACN 003 321 579
- Noni B Holdings Pty Ltd ACN 614340537
- Noni B Holdings 2 Pty Ltd ACN 626 335 760
- Pretty Girl Fashion Group Holdings Pty Ltd ACN 089 304 941
- W Lane Pty Ltd ACN 003 115 124
- Pretty Girl Fashion Group Pty Ltd ACN 051 283 900
- Rivers Retail Holdings Pty Ltd 626 380 934
- Millers Retail Pty Ltd ACN 626 380 309
- Autograph Retail Pty Ltd 626 380 390
- Katies Retail Pty Ltd ACN 626 380 158
- Crossroads Retail Pty Ltd 626 380 541
- Noni B Holdings NZ LTD company number 14640582



CUSTOMERS ARE AT THE HEART OF EVERYTHING WE DO



INSPIRE & MOTIVATE EACH OTHER



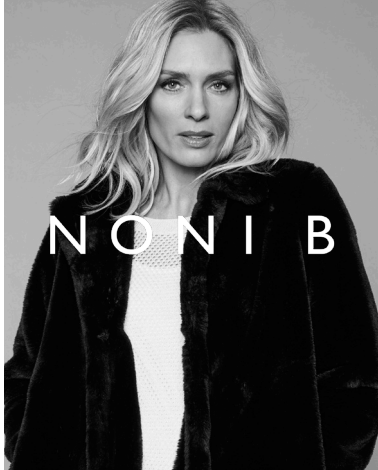
OWN WHAT YOU DO



GO ABOVE & BEYOND



KNOW & SHARE & TALK MORE



OUR STRUCTURE & OPERATIONS



OUR SUPPLY CHAIN

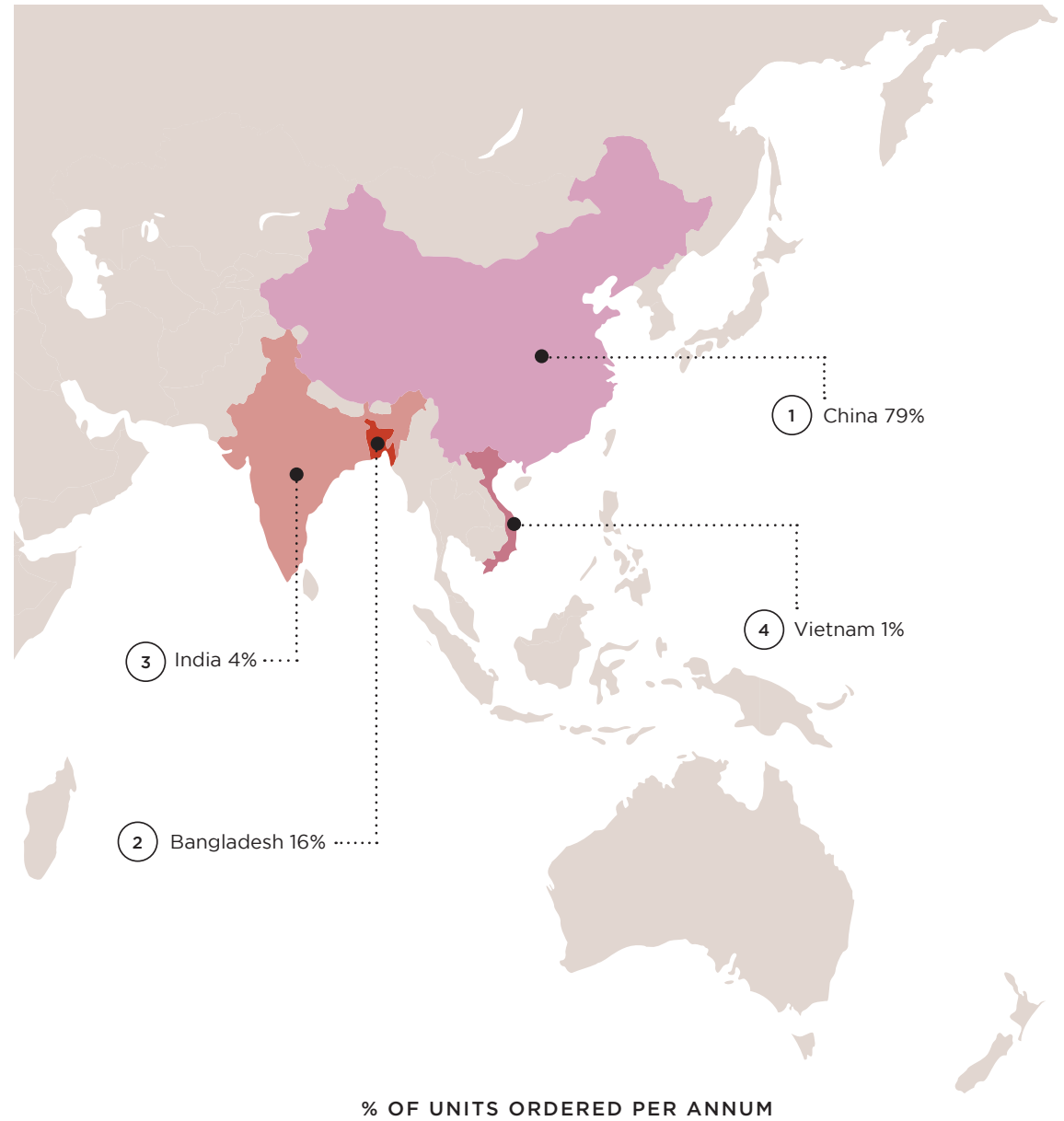
Due to the complexities of global sourcing and the risks involved, Mosaic Brands has a unique and focused apparel sourcing model. The Group's partnership approach is limited to a specific number of vendors and countries. This focus ensures long-term partnerships within its supply chain and strict adherence to the Group's policies. The Group sources through 4 countries: China, Bangladesh, India and Vietnam. The Group's 110 vendors have an average tenure of 7 years, demonstrating the long-standing partnerships we curate. Approximately 96% of all products sourced by Mosaic Brands are placed with vendors that have relationships of 3 years or longer with the Group.

It is these long-lasting relationships that provide our vendors with certainty and security, open and honest communication, and an understanding of both business' expectations and forward-facing goals.

4 COUNTRIES

LONG-LASTING RELATIONSHIPS

96% OF PRODUCTS SOURCED ARE PLACED WITH VENDORS THAT HAVE RELATIONSHIPS OF 3 YEARS OR LONGER





POTENTIAL RISKS

INHERENT RISKS

Across the four continents that supply Mosaic Brands we recognise that these countries have lower regulation and transparency of labour conditions than Australia.

COVID-19

COVID-19 has changed business globally. We acknowledge the potential impact of this pandemic on our supply chain and we continue to work closely with our vendors to maintain our policies throughout the pandemic.

DOMESTIC RISKS

Our domestic risks are very limited given our workforce demographic and Australia's employment relations regulations however to further limit risk our Code of Conduct, Whistleblower policy, People & Culture department, Safety & Wellbeing team and our Employee Assistance Program provide additional controls.

VENDOR RISKS

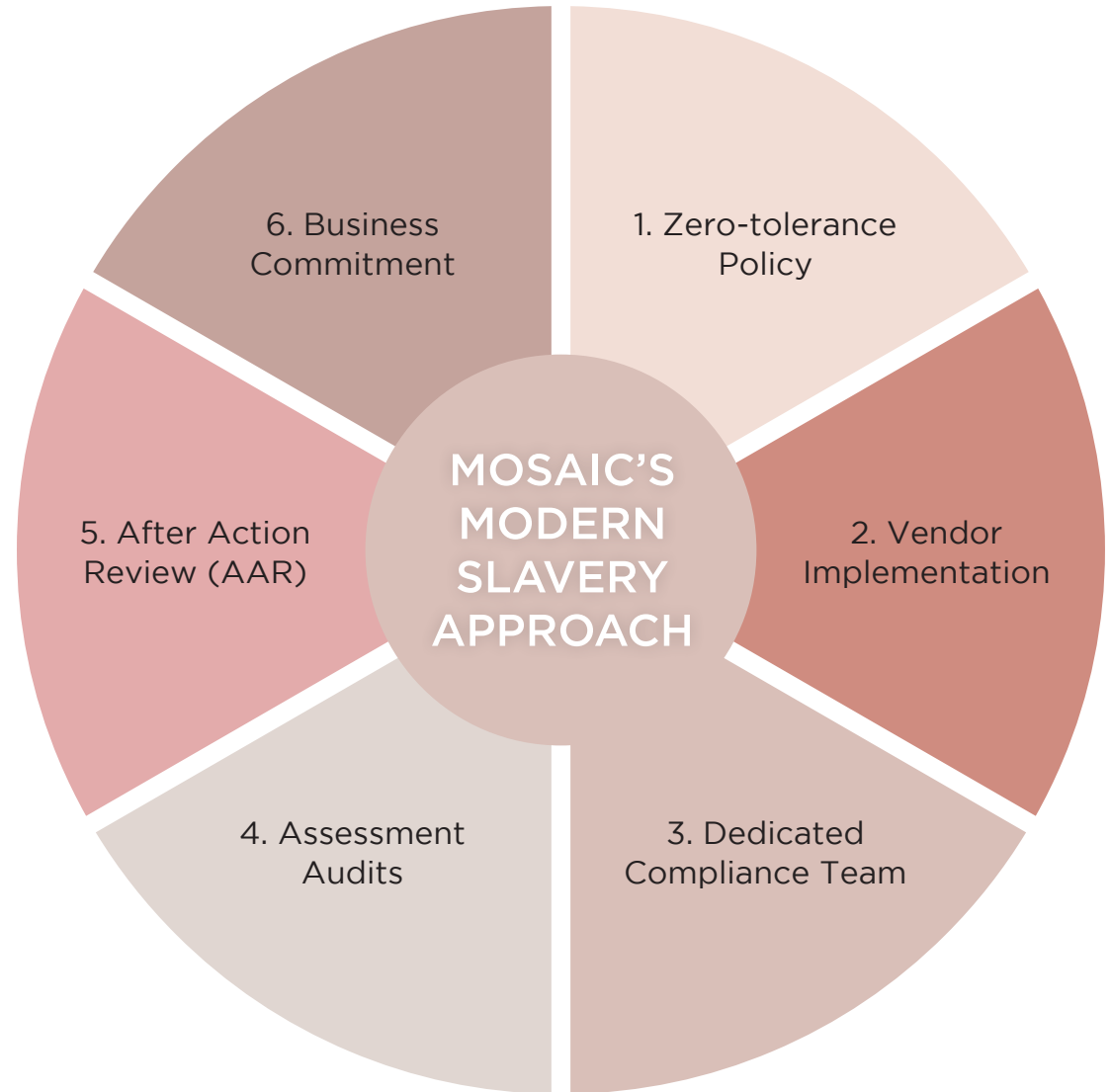
As a result of the long-term, direct and close relationship with all our vendors, we are able to influence suppliers to be able to remediate any breaches identified throughout our extensive auditing process. We understand that modern slavery risks are constantly evolving, and as such we constantly assess these risks and update our policies and procedures accordingly.

OPPORTUNITIES & ACTION PLANS

CURRENT APPROACH & OPPORTUNITIES

Mosaic Brand's approach to modern slavery is constructed around six key components. Our policies are non-negotiable, and are managed by our dedicated Compliance Team who work closely with our supply chain partners. Our partners are well informed as part of our rigorous on-boarding process and are independently assessed by our third-party agency, Qualspec.

Importantly, our Group provides regular training and education workshops for all internal team members and partners across the supply chain.



OPPORTUNITIES & ACTION PLANS

1. ZERO-TOLERANCE POLICIES

Our policies have been developed in line with the ETI (Ethical Trading Initiative) base code and the ILO (International Labour Organisation) conventions. They provide the framework relating to our ethical sourcing policy in:

- Human Rights
- Workplace Safety
- Fair Pay
- Environment

Due to the importance of these policies, they are formalised as part of vendors' contracts and must be agreed to by all vendors in our supply chain. These policies and requirements are summarised bottom right.

2. VENDOR IMPLEMENTATION

Mosaic Brands have mapped its supply chain to enable traceability. Vendors are required to provide the Mosaic Brands Compliance team with details of the factories used to produce orders for Mosaic Brands. This information is recorded and maintained on a database and used to arrange audits.

3. DEDICATED COMPLIANCE TEAM

Administration of the Ethical Sourcing Policies is undertaken by the Mosaic Brands Compliance team. The team regularly reviews and enhances our ethical sourcing policies to ensure our expectation of our suppliers are met. We also engage with external consultants for additional specialist support.

4. ASSESSMENT AUDITS

We require all vendors to have an active factory assessment audit from a recognised independent third-party provider. Using recognised methodologies such as SMETA, BSCI, or WRAP is mandatory. These audit methodologies are selected to ensure they cover all the requirements of our ethical sourcing policies. These audits are carried out by trained and independent inspectors who visit individual factories or facilities to conduct inspections. These detailed and in-depth audits include face-to-face worker interviews, safety and compliance checks, and result in providing detailed corrective action plans.

In addition to this, we also engage with a third-party independent provider, Quallspec/SgT, to carry out our own factory assessments and visits on our behalf. This two-stage requirement further encourages adherence to our policies. The factory assessment audits provided are shared with the vendor along with the related corrective action plans for any identified issues.

5. AFTER ACTION REVIEW

We strive for excellence and identify opportunities to always raise the bar to drive continuous improvement.

Our AAR (After Action Review) is an incredibly simple yet powerful tool that allows us to continuously learn from our experiences. We work with external stakeholders on time-based action plans to share and implement our findings.

6. BUSINESS COMMITMENT

The principle of ethical sourcing policies is core to our company values, and engagement is required across all levels of the business. These policies are considered as part of all decisions made during our day-to-day business operations within the Mosaic Brands team.

MOSAIC BRANDS	
ETHICAL SOURCING POLICY	CODE OF CONDUCT
1. Code of Conduct agreement	1. No Child Labour
2. ETI base code	2. No Forced Labour
3. Anti-Fraud and Corruption agreement	3. No Discrimination or Harassment
4. Chemical and Banned Substance Restriction agreement	4. No Bribery and Corruption
5. Child Labour, Remediation and Young Worker acknowledgment	5. No Banned substance and Chemical use
6. Cotton Pledge agreement	6. Respect Labour Rights
7. Factory Auditing and Inspection agreement	7. Freedom of Association and Right to Collective Bargaining respected
	8. Clean and Safe Working Conditions
	9. Comply with legal minimum wage
	10. Fair Working Hours
	11. Provide Regular Employment
	12. Valid business License or Permit
	13. Respecting the environment
	14. Transparency in Business Relationships
	15. Compliance with the policy

NEXT STEPS

Existing and future action plans cover the following key areas:

ACTIVITY

MEASUREMENT

VENDOR ENGAGEMENT

- Regular face-to-face meetings with key vendors and buying teams to understand and work together to resolve issues and gain a clearer understanding of business requirements.
 - Traffic light system to support at-risk vendors - for example, critical path reports to ensure actions completed on time, and to reduce the risk of overtime and unsafe work practices.
-

FACTORY ENGAGEMENT

- Factory visits by Sourcing and Compliance team or by a Mosaic-appointed independent third party, either physical or virtually.
 - Continued education of Code of Conduct and Ethical Sourcing polices on a regular basis at both vendor and factory level.
 - Re-emphasis of vendor and factory grievance mechanisms with the use of a hotline email address.
-

FACTORY ASSESSMENT AUDITS & TRACEABILITY

- Maintain factory database, with regular updates on locations of factories.
 - Partner with third-party audit provider (Qualspec) as part of our ongoing factory auditing program.
-

TRAINING

Internal

We continue to develop team education on:

- Ethical Production and Sourcing Requirements
- Supplier Communications
- Modern Slavery
- Our Critical Path

External

Our team attend appropriate conferences and educational programs provided by third-parties and other agencies to ensure we stay up to date on trends in Modern Slavery risk management.

ASSESSING & MEASURING THE EFFECTIVENESS OF ACTIONS

Mosaic Brands has a focus on further developing and strengthening the systems it has in place via short, medium and long term action plans ensuring continuous improvement in our ethical sourcing program, looking forward over the next three years.

We continue to review the effectiveness of our processes and identify means of measuring the success of learning outcomes using the following methods:-

1. **Due diligence / on boarding procedure** - ensuring that all new and existing vendors have understood, completed and signed the required policy documents
2. **Compliance with policies** - monitoring factory assessment audit reports in line with compliance policies
3. **Data Collection** - collecting and recording information on all apparel factories supplying Mosaic Brands
4. **Brand team critical path meetings with vendors** - regular video conference meetings to review production status
5. **Brand team training comprehension and completion** - questionnaire and sign off on internal brand training for Modern Slavery and Ethical Sourcing
6. **Whistleblower policy** - provision of a Mosaic Brands contact email address for all supply chain partners and factories to use in case of identified concerns in their workplace
7. **Vendor Survey** - carried out on a regular basis eliciting responses from vendors on how we are performing and where we can improve
8. **External review** - review of Groups policies and procedures by external independent experts

OUR COMMITMENT

Mosaic Brands acknowledges the importance of ensuring Modern Slavery is eliminated from global supply chains. We are committed to the ongoing execution of our initiatives and working with our vendors and stakeholders to continually improve.

We understand the role we play in achieving this goal.

The CEO and the Executive Team are responsible for ensuring that Mosaic Brands achieves the Modern Slavery goals enshrined in the Modern Slavery Act 2018. This statement was prepared by the Production and Compliance departments of Mosaic Brands and is approved by the Board of Directors.

Signed,



Scott Evans
CEO
Mosaic Brands Limited