

OZSALE

MODERN SLAVERY STATEMENT

2019 - 2020

MODERN SLAVERY STATEMENT

This is the Modern Slavery Statement ('Statement') of OzSale Pty. Limited ('OzSale') for the financial year ended 30 June 2020. This Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) ('Act') and has been approved by the Board of Directors (its Principal Governing body).

1. REPORTING ENTITY AND STRUCTURE

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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 is privately held and has the following current general business structure:

- Executive Team:
 - Chief Executive Officer - Carl Jackson
 - Chief Financial and Operations Officer - Mats Weiss
- Board Members:
 - 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
- Our team:
 - 119 employees across Australia, New Zealand, US, UK, Russia, Singapore, and Malaysia, with a head office located in Sydney Australia.

2. 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 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 MYSAL - 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.

3. 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.

4. RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAINS

With the assistance of Compliance Pronto, an external consulting services provider, we have taken the following substantive actions in the reporting period or prior to the date of this Statement–

1. Updated our Whistleblower Protection Policy and developed a Human Rights Policy and Supplier Code of Conduct. The Human Rights Policy and Supplier Code of Conduct each specifically address the need 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. These Policies and the Supplier Code of Conduct have been presented to the Board.
2. Mapped 423 active first-tier suppliers in OzSale's supply chain and sorted them by (i) spend level and (ii) highest rated country risk, indicating country, city and product or service provided.
3. Performed a preliminary modern slavery risk assessment of each of these suppliers based on perceived country level risk, business sector and industry type risk, specific product and/or services risk and spend level.

4. Created and sent an initial customised “due diligence” survey to 50 suppliers in our supply chain that we identified as being highest risk for potential modern slavery incidents pursuant to Action 3 above. The due diligence survey was 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.
5. Evaluated each of the responses received pursuant to Action 4 above and assessed whether and to what extent any additional follow up was required, sensible and feasible in the circumstances; and created an action plan to implement such follow up in each relevant case.
6. Created a specialised, more robust modern slavery contract warranties and covenants and incorporated them into our Supplier Code of Conduct. This code will become part of the onboarding process for all new suppliers and will require a signature. These include recommendations that such clauses be “cascaded” by our suppliers into their procurement contracts with their respective suppliers.
7. Setting up a process whereby our Modern Slavery Policy, Supplier Code of Conduct and most recent Annual Statement made under the Act are accessible online.

5. MODERN SLAVERY RISKS IDENTIFIED

None of our suppliers indicated they were aware of any instances of modern slavery in their operations or supply chains. However, several of our suppliers made survey responses that we believe indicate modern slavery risk profiles that require additional follow-up actions to further assess and mitigate possible modern slavery risk. Key examples include:

- Not sure of the extent of use of low-skilled (including foreign migrant) workers in their operations or supply chains and/or not sure whether or to what extent high risk factors relating to the use of such workers exist.
- No assessment 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 or any mitigation.
- No contract warranties and covenants are in place that specifically and robustly address modern slavery issues in their procurement agreements.
- 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.
- No formal company policies are in place re: modern slavery avoidance or Whistle-blower encouragement and protection.

6. ACTIONS TAKEN OR TO BE TAKEN TO ADDRESS RISKS

In response to the risks identified in our supplier due diligence process, we are taking the following actions:

- Creating a written action plan specific to each supplier who was rated as having a High (and potentially, in some cases, a Medium) level of modern slavery risk after completion of the initial due diligence survey.
- Developing standard actions to address with all suppliers relating to common risk themes emerging from the due diligence findings of suppliers rated as having Medium and Low risk profiles.
- Assigning specific responsibility to employees for execution and internal reporting of (a) each action plan made with respect to specific suppliers and (b) the standard actions in respect of all suppliers.

7. ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS TAKEN OR TO BE TAKEN

As this is our first Modern Slavery Statement and first compliance year, we have not had time to fully finalize and execute the actions taken or assess their effectiveness. We have established a process to review the completion and outcomes of assigned actions throughout the year and to review the overall effectiveness each year ahead of the annual Modern Slavery Statement filing deadline.

8. CONSULTATION PROCESS

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.

Key members of the OzSale team will have accountability for execution of the action plans and standard actions relating to their respective suppliers and will be kept apprised of the activities and outcomes noted in this Statement.

9. OTHER RELEVANT INFORMATION

OzSale strongly supports fundamental human rights and the prevention of modern slavery and human trafficking. One of the key learnings from our assessment was the relatively low level of actual transparency that we have into the labour practices of even our first-tier supply chain, let alone our whole multi-tier supply chain.

The actions noted above in this Statement have highlighted that fact, greatly enhanced our understanding of the necessity and importance of increasing our visibility into such an important aspect of our supply chain and engendered a desire to continue this journey and worthy goal to do our part to try to ensure there is no modern slavery in our supply chain and to help eradicate modern slavery from the world.

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 suppliers, will likely remain a significant challenge 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 providing modern slavery training to our own employees.

We are also taking steps to strengthen our supplier onboarding and monitoring processes to highlight modern slavery risk areas. The processes will include enhanced engagement with our direct suppliers to educate and encourage continuous improvement in their own capacity to more fully understand, assess and manage modern slavery risks in their respective first-tier and broader supply chains.

10. NEXT STEPS

OzSale acknowledges that the actions taken in the reporting period, and in the subsequent period up to the date of this Statement, are just the first steps in a journey towards ensuring there is no modern slavery in our supply chain. We are committed to make continuous ongoing improvement in our assessment and management of risk in this area.

Our objectives for the 2021 Financial Year include:

- execute and assess the benefits of the actions noted above in this Statement;
- look to broaden the level of interaction with suppliers with respect to modern slavery risks, prioritising on the basis of risk;
- develop modern slavery training packages for targeted personnel, including both procurement and operations personnel; and
- implement the use of the Supplier Code of Conduct as a key piece of our onboarding of new suppliers and consider and implement ways that it can most efficiently be introduced into and made a part of existing supplier relationships.

11. APPROVAL OF STATEMENT

The Board of Directors of OzSale has unanimously approved this Statement and authorised Carl Jackson, CEO, as the responsible executive of OzSale to sign this Statement in accordance with the Act. OzSale is committed to the spirit and intent of the Modern Slavery Act.



Carl Jackson
CEO
OzSale Pty