



# DECJUBA 2020 MODERN SLAVERY STATEMENT

This statement has been prepared to describe the risks of Modern Slavery and how at DECJUBA (ABN 22 611 918 873) we are taking action to address these risks in our business operations and supply chain for the 2020 end of financial year.

At DECJUBA, we define Modern Slavery as any practices such as human trafficking, slavery, forced labour, child labour and slavery-like practices where one person has taken away another person's freedom by threats, violence, coercion, abuse of power and deception.

# A WORD FROM OUR CEO

At DECJUBA, our brand promise is to 'deliver amazing' – as part of this promise, we are committed to eliminating Modern Slavery. We understand that Modern Slavery is part of a complex set of issues and challenges, and we are committed to a long term and considered approach which will allow us to be part of this change.

We are proud to submit our first formal Modern Slavery Statement, taking responsibility for transparent and ethical business dealings across all platforms.

We know that Modern Slavery disproportionately affects women. As a female-led organisation with more than 1500 employees, and partner suppliers across the globe, we take seriously the responsibility to lead from the front, 'be the change' and take our place amongst those taking measures to eradicate Modern Slavery and human trafficking.

TANIA AUSTIN, DECJUBA, OWNER & CEO



# INTRODUCTION

*DECJUBA - Female-led, high integrity, empowering women.*

DECJUBA believes in inspiring every woman to look and feel amazing.

We are led by our five core values; **HONESTY, BRAVERY, INNOVATION, INTEGRITY** and **OPTIMISM**. These values are a part of our DNA and are at the heart of everything we do. Our values are the foundation for our Code of Conduct which sets out our non-negotiable principles around sustainability and a zero tolerance policy to Modern Slavery and gender discrimination.

We know that our greatest assets are our people, from our suppliers and team members to our customers.

As a leading female-led fashion retailer, we recognise the importance of being transparent, accountable, and responsible for every action we make.

DECJUBA is committed to creating real, long-term, sustainable change and to the eradication of Modern Slavery.



# WHO WE ARE

## OUR JOURNEY

Relaunching in 2008 by Tania Austin, DECJUBA became a privately owned, Australian business. Since that time, DECJUBA has grown the head office (Melbourne, Victoria) and store footprint to over 135 stores across Australia and New Zealand, employing over 1,500 team members, represented by a mixture of fulltime (26%), part-time (9%) and casual (65%) team members located across Australia and New Zealand.

Aiming to 'deliver amazing' at every touchpoint, DECJUBA launched its first sub-brand, D-LUXE Basics, in 2016 and expanded the brand in 2017 with DECJUBA Kids. Both brands provide unique and niche styles that cater to an ever-growing loyal customer base.

## PHILANTHROPY

At DECJUBA, giving back to charities and organisations that resonate with our customers and us is essential to who we are as a brand. Through our D:GIVES program, we support several local and global organisations committed to creating change not only on a community level but also worldwide.

DECJUBA has a long-standing partnership with The Hunger Project, a not-for-profit organisation aiming to end global hunger by 2030. Since 2017, we have launched six collaborations alongside The Hunger Project, raising a total of AU \$1.3 million and impacting over 7.6 million lives.

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*We are committed to real, sustainable long-term change that will impact lives.*

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## OUR SUPPLY CHAIN

We are proud to have long-standing partnerships with our suppliers.

These relationships are fundamental to the success of our journey. Our leadership team regularly visit our suppliers and their manufacturing sites, continually building and developing transparent and authentic relationships. With products ranging from apparel, footwear and accessories, our current sourcing model sees over 90% of our products manufactured in China, 11 of which produce over 70% of our products. We also manufacture smaller volumes in Vietnam and Thailand.

DECJUBA has no financial interest or ownership in any of the factories used to manufacture our products. Further information on our ethical partnerships and factory locations can be found on the **Ethical Partnerships page on our website.**

DECJUBA's production occurs in China via a Supplier/Agent and Sub-Contractor model where suppliers either own their factories or sub-contract the production to other factories. Our products (finished goods) are sent from

our suppliers to Australia and New Zealand via sea transport, then distributed to our stores through our third-party warehouses in Melbourne, Australia and Auckland, New Zealand.

In addition to our physical stores, we operate online, catering to our Australian, New Zealand and International customers. The online offering is managed through our Australian Head Office.

Our business operations also extend to other business areas, including transport and logistics providers, property, cleaners, procurement (office supplies), visual merchandising, and promotional materials.



# MODERN SLAVERY - UNDERSTANDING THE RISKS

When assessing the potential risks of Modern Slavery within our business operations and Supply Chain, we identified our local operations as low risk. At the same time, our offshore manufacturing program presented a higher risk. By examining each supplier model and geographical location, we have determined the higher-risk areas.

## SUPPLIER RISKS

We recognise our sourcing model by its nature of suppliers and agents who act on our behalf may present an increased risk of Modern Slavery. We utilise our suppliers to manage the sub-contractor relationship to manufacture our products.

## PRODUCT RISKS

Textiles and apparel present a greater risk of Modern Slavery due to the many and varied stages of production required, some with little to no industry oversight to protect workers across the Supply Chain.

To better manage and understand the risks in the manufacturing processes, we use a 4-tier system to group the different activities required in the manufacture of our products.

These are identified as:

- Tier 1 – End stage manufacturing, Cut/Make/Trim factories (CMT) – the factories where the final product comes together
- Tier 2 – Inputs – any activity that goes into the manufacture of products such as washing, dyeing, printing, embroidery
- Tier 3 – Fabrics/Components – any activity related to bulk fabrics – spinning, weaving, fabric mills, threads, trims
- Tier 4 – Raw Materials/Farms – raw fibre origins and recycling facilities

## SUPPLY CHAIN RISKS

Our work through factory auditing, supplier and factory visits, researching product categories, sourcing markets and engaging industry experts has helped us to better understand the potential risks within our sourcing model such as Forced Labour, Child Labour, poor recruitment practices and migrant/cross border labour, all of which create an increased risk of Modern Slavery.

We also know our risks can depend on the way we interact with different production stages within our Supply Chain. Over the past year, we have identified risk factors where we may **CAUSE, CONTRIBUTE** or are **LINKED** to the potential risk of Modern Slavery. As we worked through these risks further, we identified many factors that contribute to Modern Slavery risk.

## CAUSE

We have identified our actions may directly result in Modern Slavery risk in our Tier 1 operations in situations where we work with suppliers who act on our behalf to manage subcontractors to manufacture our products. Our activities where we may cause Modern Slavery risk include:

- Sourcing in foreign markets (offshore)
- Using an agent to source our products rather than a direct sourcing model
- Allowing the use of sub-contractors (by Suppliers) to manufacture
- Utilising suppliers to source fabrics
- Suppliers using foreign or cross border migrants as employees

## CONTRIBUTE

We recognise some of our actions may contribute to Modern Slavery risk across our Tier 2 and Tier 3 factories due to our sourcing model. Our governance occurs through Suppliers who are required to implement our social compliance expectations into their subcontractors' factories. We have identified the following risk factors which may contribute to the risk of Modern Slavery:

- Sourcing in foreign markets (offshore)
- The use of sub-contractors (by Suppliers) to manufacture
- Governance of the deeper levels of the supply chain
- Limited visits to tier 2/tier 3 factories by DECJUBA team

- Ability to trace and access all levels of the Supply Chain
- Suppliers using foreign or cross border migrants as employees
- Adherence to social compliance standards

## LINKED

We recognise some of our actions may contribute to Modern Slavery risk across our Tier 2 and Tier 3 factories due to our sourcing model. Our governance occurs through Suppliers who are required to implement our social compliance expectations into their subcontractors' factories. We have identified the following risk factors which may contribute to the risk of Modern Slavery:

- Sourcing of raw materials outside the manufacturing region
- Traceability of Tier 4 suppliers
- Minimal direct involvement or visits to Tier 4 operations by DECJUBA team
- Suppliers manage relationships on our behalf
- Suppliers using foreign or cross border migrants as employees
- Adherence to social compliance standards

By understanding where we may **CAUSE**, **CONTRIBUTE** or are **LINKED** to Modern Slavery across our entire business, we have focused on addressing those risk factors and our behaviours and actions via initiatives minimising the risk and protecting our workers in our end-to-end Supply Chain. (How we are working to address these risk factors and initiatives used are detailed in the 'Modern Slavery – Our Actions' section of this report).

# MODERN SLAVERY -OUR ACTIONS

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*Ethical and sustainability practices are at the core of our values as a business.*

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Our first step in addressing the risk of Modern Slavery in our Supply Chain operations has been to establish the **DECJUBA Ethical Sourcing and Social Compliance Code**.



We have also developed supporting policies to the Code, including a **Modern Slavery Policy** and a **Forced Labour Policy**, giving a more detailed approach to our expectations of Suppliers and factories including our remediation process in the event of a confirmed case of Modern Slavery.

In addition to developing our **Ethical Sourcing and Social Compliance Code** and supporting policies, we have implemented the following to assist us to minimise the risk of Modern Slavery while improving our sourcing practices:

## 1. SUPPLIER AGREEMENT

DECJUBA suppliers must agree to all terms and sign our Supplier Agreement. This Agreement covers our operational business relationship and all trading terms including governance of the supply chain.

## 2. DECJUBA ETHICAL SOURCING AND SOCIAL COMPLIANCE CODE

Through our Supplier Agreement, all Suppliers must agree to adhere to our Ethical Sourcing and Social Compliance Code and Policies.

This change was necessary to establish our baseline social compliance expectations and provide clear and concise governance to our suppliers on our expectations to combat the risk of Modern Slavery.



### 3. TRACEABILITY

Our next step was to ensure traceability became a key pillar of our Ethical Partnerships. Decjuba has traced Tier 1 suppliers and regularly updates this list to reflect changes that may occur. Our Supplier Agreement also stipulates that all Tier 1 sub-contractors are disclosed and approved by DECJUBA before being engaged. We are currently working through Tiers 2 (Inputs) and 3 (Fabrics) and have taken steps to traceability with our Tier 4 (Raw Materials) suppliers and will continue this process over the 2021 year.

### 4. ONBOARDING PROCESS

In 2019/2020, we implemented several changes to strengthen our requirements to develop a more controlled onboarding process. We now review every new Supplier business model, including ownership, size, scope, and capability, before proceeding to a final assessment of the Social Compliance Audit Report. The new onboarding process allows us to refine our supplier base and identify those partners with a shared ethical view.

Our standard practice involves visiting each of our factories to look at the premises and manufacturing processes. Our teams meet with the factory owners to understand their views and policies on environmental and social issues before approval. Due to COVID-19 travel restrictions, we are currently conducting this process online with the plan to revert to our standard practice with suppliers once travel restrictions cease.

### 5. FACTORY AUDITS

To ensure our workers' are protected from the risk of Modern Slavery, we utilise an independent factory audit program. Within these audits are confidential individual and group worker interviews where they can raise concerns. From this, we conduct follow up audits to address these concerns and ensure corrective actions.

### 6. INTERNAL SUPPLIER RATING SYSTEM

Our internal Supplier Rating system is carried out by our Buying and Production team. Suppliers receive a rating on several set criteria that include metrics around sustainability and ethical practices. We regularly review this information and speak with Suppliers to drive continuous improvement. We also use this information to identify and place orders in higher-rated (better standard) factories.

### 7. TRAINING

DECJUBA hold internal training sessions for Head Office team members who work directly with our Suppliers. Training sessions include the following topics; responsible purchasing behaviours, policies, tips to identify Modern Slavery and steps to take in the event a team member becomes aware of a potential risk (escalation of the issue, remediation and immediate protection of the worker affected). We have recognised the need to increase our internal training level to ensure our team is equipped to identify and respond immediately to any concerns. This training will recommence in 2021.

Equally important is our requirement to train our suppliers and factories. To complete this action, we engaged with an external training provider (SgT – Qualspec) in 2020 to develop and deliver a training session with a number of our key suppliers in China. This session titled “CSR Training” covered topics including Labour Practices (child labour, hiring workers and workers’ rights), Transparency and Sub-Contractors, Auditing and Modern Slavery requirements. We invited a number of our key suppliers; however, several were unable to attend due to travel restrictions in China at the time. While only six suppliers participated in the training session, those six suppliers represented 49% of our purchases. As part of the training course, suppliers were required to sit an examination to ensure they clearly understood the training. Depending on future travel restrictions, we will consider rerunning this training session in 2021 in person or via a web-based training environment.

DECJUBA has a responsibility to ensure that our team and our Suppliers have a clear understanding of the risk of Modern Slavery and our remediation program. We are committed to delivering and improving our training programs over the coming years with internal and external specialists to ensure we keep up to date with new identification and mitigation strategies across Modern Slavery.

### **8. REPORTING OUR PROGRESS**

DECJUBA is committed to ensuring we are communicating ethical sourcing and sustainability messages on our external website. We acknowledge our reporting still requires further work to meet industry and consumer expectations, and in turn, we have taken steps to be more transparent.



## 9. ADDITIONAL MEASURES

Through 2020, we implemented several additional initiatives to assist us in our commitment to eradicate Modern Slavery risk from our supply chain.

These included:

- Supply Chain Consolidation - introduced full-service suppliers who can undertake all required stages of production in the one factory (vertical operations);
- Improved Supply Chain relationships - despite restrictions due to COVID-19, we have built even stronger supplier relationships through the use of technology such as conference call facilities. Regular communication ensures we maintain visibility of our suppliers and that our CSR practices are still being embedded into our Supply Chain, as well as making sure our Suppliers know and are free to give feedback on poor purchasing behaviours;
- Communicated with our suppliers more frequently to ensure we all stay informed and connected;
- Engaged with external resources to help us better understand global expectations and how we implement these into the DEJUBA operations;
- Recruited resources to oversee our Ethical and Sustainability programs;
- We continued our journey to a more sustainable future by partnering with organisations to protect workers in the supply chain. Examples of these partnerships include BCI (Better Cotton Initiative) who make global cotton production better for the people who produce it, and The Textile Exchange, a not-for-profit organisation that aims to improve the textile industry standards.



We understand that there are challenges to eradicating Modern Slavery; and we are committed to ensuring we protect workers from all aspects of Modern Slavery across our business operations. We acknowledge that even though we have taken some action to minimise Modern Slavery across our business, we still have further steps to put in place and are committed to implementing these actions moving forward.

# ASSESSING OUR ACTIONS

Measuring the risk of Modern Slavery is a challenge. To support our approach to combatting Modern Slavery, DECJUBA uses several actions and tools to understand and assess if our commitment to eradicating Modern Slavery from our Supply Chain is successful or requires adjustment. The ongoing assessment ensures we provide an adequate level of protection to workers.

Being able to measure our performance in reducing modern slavery across our business operations is key to understanding how we track as a business.

We utilise several indicators and tools to measure our approach, which includes:

ACTIONS/TOOLS	WHY	OUR PROGRESS	TIMELINE
INTERNAL MS* KPIs*	Measuring if the actual number of MS cases identified in DECJUBA is reducing.	DECJUBA have not identified any case of Modern Slavery in its business operations.	Ongoing
TRAINING SESSIONS	Educating our team and Suppliers on our MS expectations.	Internal – 1 training session held in late 2019. External – 1 training session held in China in 2020.	Focus during 2021
EXTERNAL METRICS	Using external metrics such as the Global Modern Slavery Index to identify factors that make people vulnerable and provide an analysis of the actions country governments are taking to respond to Modern Slavery.	Every sourcing market has been assessed against the Global Modern Slavery Index to understand where MS risk is highest, enabling us to focus our attention where it is needed most.	Ongoing use and focus during 2021.
PRODUCT CATEGORIES (RISK)	Different product categories involve different levels of Modern Slavery risk such as the actual processes involved during manufacturing or the materials and components required.	We are working towards implementing risk mitigation strategies such as sourcing components from a region with stronger MS controls and visibility.	Focus during 2021
FACTORY AUDITS	Using an independent assessment of a factory's social compliance standards is a key tool for assessing MS risk.	Tier 1 factories are required to have up to date audits at all times. This is continually assessed and managed to comply with this expectation.	Continued adherence during 2021 including Tier 2 factories.
WORKER INTERVIEWS	Listening to the factory workers is critical to ensuring we are working towards protecting them.	Every audit completed includes this requirement and if/when required, is highlighted in reporting by the auditor for us to follow up. In 2021, we are looking at ways to improve a worker's voice e.g. Confidential Grievance Mechanisms.	Focus on Grievance Mechanisms during 2021.
SUPPLIER CONFERENCE	Supplier Conferences allow us to build supplier relationships and educate our Suppliers on expectations towards eradicating Modern Slavery within Supply Chains and our business dealings.	The last physical supplier conference was held in 2019. Due to COVID-19, the 2020 conference did not go ahead.	2021 – consider online conference opportunities. 2022 – hold the Supplier Conference in market.
FACTORY VISITS	Being on the factory floor and speaking with factory owners, managers, supervisors and factory workers helps us gauge how workers are treated. Site visits also allow DECJUBA to assess factory managements attitude towards workers and provides visibility of workers performing their roles in the factory environment.	No face-to-face visits due to travel bans however will recommence when travel is permitted. All meetings were held online.	Depending on travel – reintroduce late 2021/2022.

\* MS – Modern Slavery \* KPI – Key Performance Indicators



## CONSULTATION

DECJUBA does not own or control any other business entity. The creation of this 2020 report resulted from ongoing consultation across the DECJUBA business with senior management and relevant team members where required. The sub-entities such as D-LUXE and DECJUBA Kids are part of the DECJUBA business and managed by the same internal management team.

- Increasing cleaning programs and providing required PPE where necessary;
- Ensuring Suppliers paid workers in line with their legal entitlements;
- Phasing of some of our orders with suppliers (rather than cancel orders) where we could;
- Did not require Suppliers to pay any extra logistics fees for the movement of stock, e.g., airfreight due to delays.

## COVID-19 RESPONSE

COVID-19 presented many challenges for the DECJUBA team and our Supplier partners. We knew it was necessary through the challenges that we stayed in touch with our team and suppliers and that we continued to offer guidance and support wherever we could.

Our actions during these times include:

- To ensure all DECJUBA offices and stores operated within state and federal government guidelines;
- Implementing safety & hygiene measures for our customers and our team to ensure a safe shopping experience;

## CONTINUING THE WORK

DECJUBA is always looking at new ways to understand better if our approach reduces the risk of Modern Slavery across our business operations and will continue to collaborate with industry peers to improve our understanding in this area over 2021.

The DECJUBA team is committed to utilizing our influence, driving change and improving people's lives. We know our responsibility does not end, and we will keep taking steps over the coming years to eradicate the risk of Modern Slavery from our end-to-end Supply Chain.

## ALIGNING OUR RESPONSE TO THE REPORTING CRITERIA

MODERN SLAVERY REPORTING CRITERIA	SECTION	PAGE
Criteria 1 & 2 - Identify the Reporting Entity	Who We Are	3
Criteria 3 - Describe the Risks of MS practices	Modern Slavery - Understanding the Risks	5
Criteria 4 - Describe the Actions Taken	Modern Slavery - Our Actions	7
Criteria 5 - Assessing the Effectiveness	Assessing Our Actions	11
Criteria 6 - Describe the process of consultation	Consultation	12
Criteria 7 - Any other relevant information (COVID-19)	COVID-19 Response	12

# DECJUBA APPROVAL

The contents of this statement has been approved by Tania Austin on 27/04/2021, in her capacity as the sole director of Decjuba. As the sole director, Ms Austin has primary responsibility for the governance of Decjuba.

**SIGNATURE:**

A handwritten signature in black ink, appearing to read 'Tania Austin', is written over a thin horizontal line.

[www.decjuba.com.au](http://www.decjuba.com.au)