

MECCA

# MODERN SLAVERY STATEMENT 2021



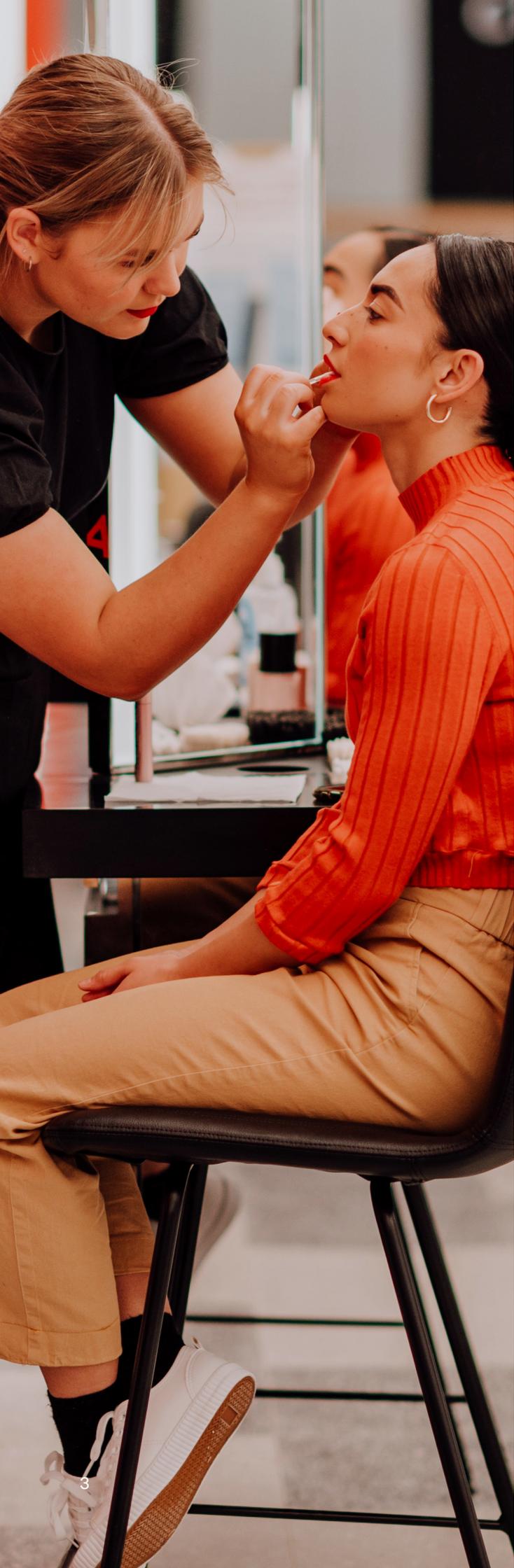
MECCA  
35-43 Wangaratta Street,  
Richmond, Victoria 3121 Australia

W: [mecca.com.au](http://mecca.com.au), [meccabeauty.co.nz](http://meccabeauty.co.nz)

# ACKNOWLEDGEMENT OF COUNTRY

MECCA wishes to acknowledge the Traditional Custodians of the land on which we work and gather. We pay respect to Elders - past, present and emerging. We recognise their ongoing connection to this beautiful country, with knowledge and stories that have been handed down since time immemorial. MECCA acknowledges Māori as mana whenua in Aotearoa. We are grateful to be part of the Aotearoa whānau and we celebrate the beautiful taonga that the Māori culture, heritage and language gives to us all.





## ABOUT MECCA

From humble beginnings, MECCA opened its first doors in Melbourne in 1997 and has evolved over the past 25 years into Australia's largest prestige beauty retailer. With over 100 stores across Australia and New Zealand, as well as online stores in both countries and a presence on cross-border e-Commerce app T-Mall, MECCA distributes thousands of products from over 180 international and local luxury beauty brands.

From extensive team member education to its M-POWER social change program to help address gender inequality, MECCA is dedicated to doing what it can to create a more equal world.

## OUR VALUES & VISION

MECCA's purpose is to enable people to look and feel their best. For team members, the company's vision is to enable team members to be the best they can be by helping them to develop professionally and personally and to excel in all that they choose to do. For customers, the company's vision is to enable customers to look and feel their best by providing an informative and engaging beauty experience.

1. Doing whatever it takes
2. Being positive and energetic at all times
3. Treating others with respect and courtesy
4. Taking responsibility
5. Taking pride in our appearance

# INTRODUCTION

This statement is issued jointly by MECCA Brands Pty Ltd, MECCA Brands NZ Pty Ltd and MECCA Brands Distribution Pty Ltd (together, 'MECCA') and is made pursuant to the *Modern Slavery Act 2018* (Cth) (the Act).

Consistent with MECCA's commitment to identify and reduce risks of modern slavery throughout its supply chains, this second annual statement details the actions MECCA has undertaken in the 2021 calendar year, being January-December 2021 (Reporting Period). MECCA understands that instances of modern slavery occur across a spectrum, from unfair working conditions to bound labour. Given MECCA is fortunate to operate primarily in Australia, and with 81% of our suppliers operating within Australia, we understand that our risks of more severe forms of modern slavery are low. As such, while MECCA is taking steps to further identify potential risks of modern slavery further down our supply chains, we are equally committed to human rights and ensuring that our direct suppliers, brand partners and team members work within supportive, fair and safe workplaces.

## OUR COMPANY STRUCTURE AND OPERATIONS

As a specialty beauty retailer, MECCA distributes over 180 international and local luxury beauty brands across three unique concepts – MECCA Cosmetics, MECCA Maxima, MECCA and online stores. Additionally, MECCA manufactures four MECCA-owned brands being MECCA Cosmetics, MECCA MAX and MECCA-ssentials

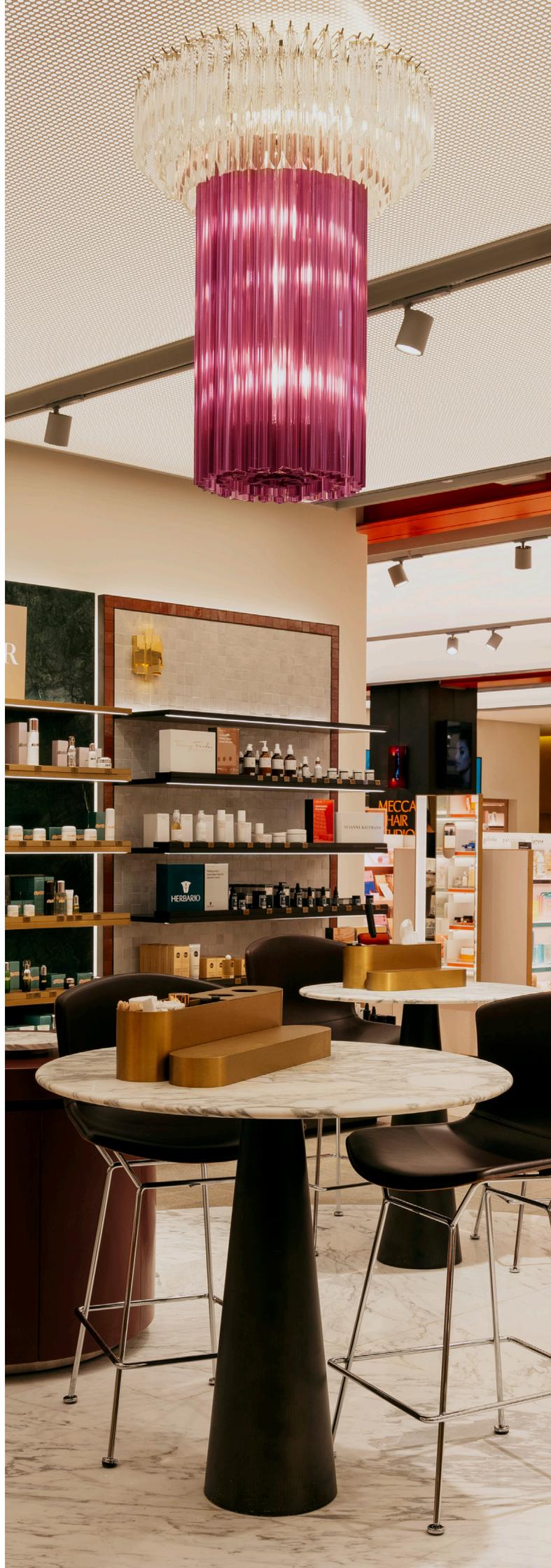
**MECCA COSMETICA**   **MECCA – SSENTIALS**   **MECCA MAX**

The MECCA Support Centre is based in Richmond, Victoria Australia with distribution centres in both Melbourne Victoria, Australia and Auckland, New Zealand.

Our operations include:

Product development and sourcing	Product retail, importing and distribution	Product safety and compliance	Team member education
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These operations are supported by a range of standard supplementary functions including, but not limited to, procurement, digital, IT, sales, marketing and finance.



## OUR PEOPLE

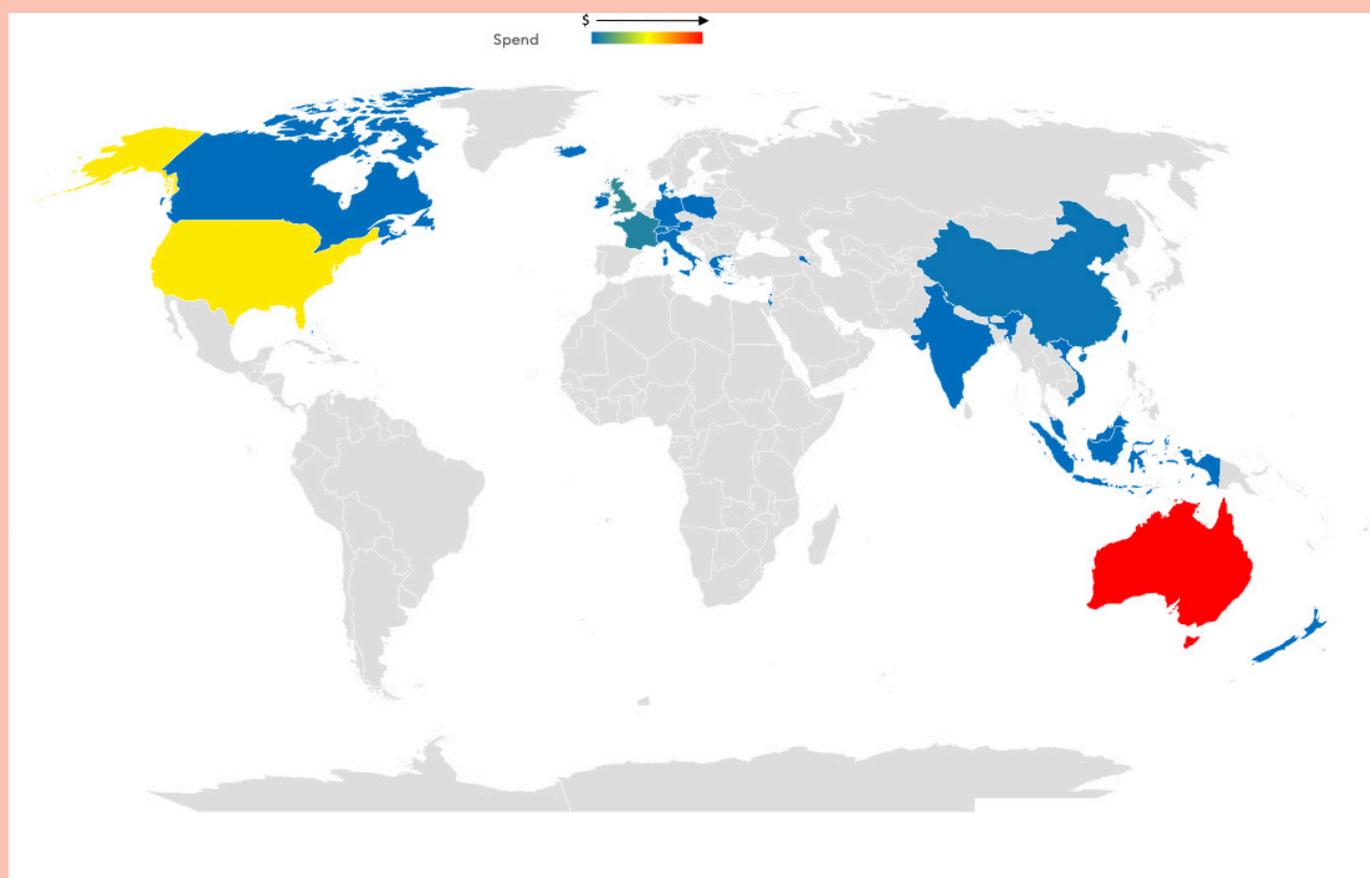
MECCA is committed to fostering strong teams across stores, support centre and distribution centres that are committed to doing whatever it takes to ensure the delivery of an unparalleled beauty offering and exceptional customer experience. As MECCA continues to grow, so too do our teams. In 2021, MECCA continued to employ new team members across retail stores, support centre and distribution centres, bringing MECCA's total employee count to almost 4,000 by 31st December 2021



# OUR SUPPLY CHAIN

In 2021, MECCA engaged a total 1,404 suppliers across the business to support with the company's various operations, with 81% of suppliers operating within Australia.

### Country by spend



# OUR POLICIES

MECCA's commitment to equality and empowerment is reflected across all levels of our organisation. Our policies, procedures and codes of conduct aim to ensure that team members, brands and suppliers are supported in identifying and addressing risks of modern slavery within our supply chains.

## (i) SUPPLIERS

### Ethical Sourcing Code

As mentioned in our 2020 Modern Slavery Statement, MECCA require all our suppliers for our MECCA-owned brands to sign our Ethical Sourcing Code. This Code reflects MECCA's commitment to environmental, sustainability and responsibility, integral working practices; adherence to work standards established by the International Labour Organisation (ILO); and the maintenance of consumer protections. By December 2021, MECCA had proudly signed onto our Ethical Sourcing Code 97% of its total direct suppliers for MECCA-owned brands. MECCA will continue to ensure all new suppliers in this space agree to our Ethical Sourcing Code and we look forward to continuing to work with and engage suppliers who share our values and a commitment to a fair and ethical working environment.

### Timber Products Procurement Policy

Like our Ethical Sourcing Code, MECCA's Timber Products Procurement Policy ensures responsibility to the environment, to our customers and from our suppliers with the view of striving to minimise the instances of illegal logging. As such, this policy outlines the requirements to source timber related products which are legally logged and recognises that credible, independent certification and verification of forest management and chain of custody can significantly reduce the risk of illegally harvested timber. From store fixtures across Australia and New Zealand to furniture in our Support Centre, this policy ensures that all timber products invested in by MECCA are ethically and sustainably sourced.

### Third-Party Agreements

MECCA's Services and Contractor Agreement templates include a Modern Slavery clause, ensuring that individuals and companies that MECCA engages acknowledge their responsibility to ensure that our suppliers and subcontractors that those suppliers engaged do not engage in any practices that may constitute modern slavery. Our suppliers are also required to provide MECCA with any information reasonably requested in the interest of investigating risks of modern slavery within our direct and indirect supply chains.

## Team Members

### Essential Onboarding Measures

Compulsory education modules are required to be completed by new team members across our store, support centre and distribution centre teams as part of MECCA's induction and onboarding process. These compulsory education modules include:

- Whistleblowing
- Respect in the Workplace
- Illegal Logging
- Privacy and Confidentiality

These education modules empower our teams to understand their rights and responsibilities as employees of MECCA. We believe in the importance of education to ensure that our teams are conscious of working collaboratively to support one another, our suppliers and our brand partners in building a robust working environment throughout our teams and supply chain.

### Workplace Policies & Procedures

- **Whistleblower Policy** – this policy sets out the avenues open to team members and other MECCA personnel who wish to raise issues about whether MECCA or our team members have complied with applicable laws and other applicable standards of behaviour. This policy is designed to provide a safe and confidential environment for team members to raise any such concerns without fear of reprisal.
- **Complaints Resolution Policy** - this policy sets out the steps encouraged to be taken to resolve any workplace issues or concerns at the earliest opportunity, with open communication and a focus on resolution.
- **Equal Employment Opportunity Policy** – this policy outlines MECCA's dedication to Equal Employment Opportunity in the workplace and its commitment to ensuring that all team members have equal access to the opportunities that are available at work.
- **MECCA Brands Code of Conduct** – this policy outlines the obligations of MECCA Brands to its employees and the standards of behaviour and expectations of employees held by the company.
- **Respect in the Workplace Policy** – this policy outlines MECCA's commitment and each team member's responsibility to foster a workplace free of discrimination, bullying and harassment.
- **Workplace Health and Safety Policy** – this policy highlights the important role that each MECCA team member, manager and supervisor play in maintaining healthy and safe workplaces.





Breaches of any of the above policies are encouraged to be reported by team members to an independent and confidential reporting service, Stopline. This third-party service is used by MECCA to ensure that all team members feel comfortable and empowered to report ethical breaches, both within MECCA and within the operations of our brand partners and suppliers, and to hold one another, our brands and our suppliers to a high ethical standard.

## (ii) BRAND PARTNERS

### Modern Slavery Statements

As mentioned in our 2020 Modern Slavery Statement, By the end of 2021, over two thirds of our 180+ brand partners had signed-on to MECCA's Modern Slavery Statement or provided MECCA with their own Modern Slavery Statement, doubling our 2020 responses. Both MECCA's statement and individual brand statements declare brand adherence to all ILO recommendations and regulations pertaining to safe and fair work practices with the goal of eradicating modern slavery throughout the world.

### Distribution Agreements

Our updated Distribution Agreement signed onto by new brand partners throughout 2021 ensures that they themselves, and their potential subcontractors, do not engage in any practices that may constitute modern slavery. This update to our Distribution Agreements also requires brands to notify MECCA immediately upon becoming aware of any incident, complaint, allegation of risk, that the supplier, or any entity in its supply chain or connected to its business operations, has engaged in, contributed to, or is, or may be connected with, modern slavery.



“Our greatest asset is our team”

Jo Horgan

# RISKS OF MODERN SLAVERY IN MECCA'S OPERATIONS AND SUPPLY CHAINS

As an Australian retailer and manufacturer of luxury cosmetics, with 81% of our suppliers operating within Australia and all of our brand partners operating in first-world countries, MECCA recognises that modern slavery risks within our organisation and supply chains are relatively low. While there is a potential risk to inadvertently contribute to or be linked with modern slavery by engaging in extensive supply chains, MECCA is implementing all necessary processes with the view of attempting to mitigate these risks.

As MECCA worked to identify risks within its supply chain throughout 2021, it became more apparent that our complex supply chains require rigorous commitment from all involved to ensure that modern slavery is able to be identified and addressed, as required. This is something we will continue to work towards in 2022.

## Supply Chain Risks

Some of the possible risks identified within our supply chains include:

Traceability and transparency of complex and lengthy supply chains internationally and within Australia;

The supply of raw materials – particularly those sourced from countries more vulnerable to modern slavery risks; and

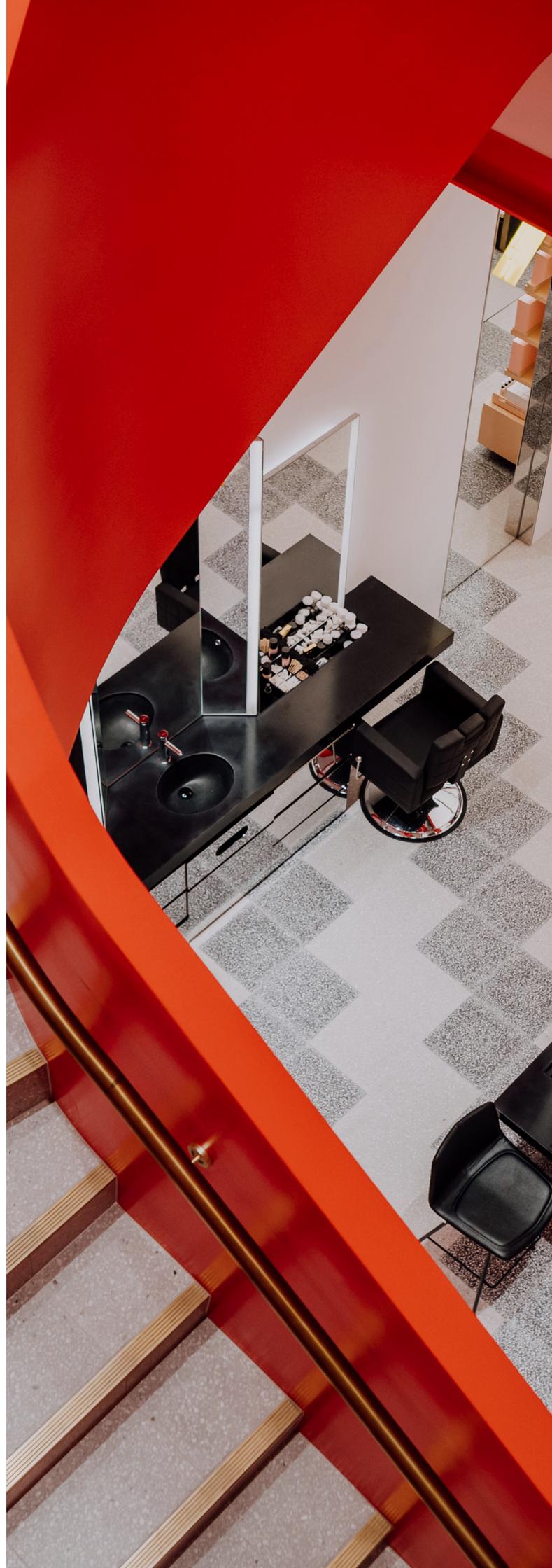
Product manufacturing

## Operational Risks

Some of the possible risks identified within our operations include:

Contracting and sub-contracting through direct and indirect 3rd party suppliers.

Provision of products and services including operational, facilities management and transportation.



# MECCA'S 2021 ACTIONS

In 2021, MECCA built on the work undertaken in 2020 to further deepen its knowledge and understanding of modern slavery risks within our operations and supply chains. While the level of risk within MECCA's own operations are low, 2021 brought with it the opportunity for us to better understand ways in which we can potentially inadvertently contribute to modern slavery practices, while simultaneously identifying areas where we can maximise our impact to minimise these risks.

## Diversity & Inclusion

In 2021, MECCA formed its first Inclusion and Diversity team, tasked with ensuring all team members, suppliers, brands and customers are widely represented, respected and educated in matters of inequality. The introduction of MECCA's Inclusion and Diversity Team has broadened engagement across the business with educational opportunities designed to assist teams in further understanding the importance of inclusion and equality. Having resources dedicated specifically to the matters of Inclusion and Diversity, MECCA's policies and codes of conduct are supported by tangible actions and efforts devoted to ensuring our workplace, retail stores and supply chains are free of discrimination, bullying and harassment.

## COVID-19

Throughout 2021, MECCA undertook a pragmatic approach to the disruption caused to its workforce as a result of the COVID-19 pandemic to ensure that team members remained safe, well and financially supported.

While many of our retail stores remained closed during the lockdowns across Australia and New Zealand throughout 2021, robust COVID-19 policies and procedures kept our warehouses operating safely throughout. Although at times we were not able to welcome customers into our stores due to Covid-19 lockdowns, we were able to offer "call and collect services" in certain locations and in accordance with government directions. This enabled our team members to continue to work to support these services, while others were redeployed to assist with a range of meaningful work, including completion of education modules and filling in resourcing gaps within support centre teams. During this time, our team members were encouraged to utilise MECCA's EAP provider for financial advice and support.

Furthermore, MECCA took steps to ensure that the mental health and wellbeing of all team members was supported during this difficult time. Hugh Van Cuylenburg's Resilience Project™ Program was made available to all store and distribution centre team members throughout the 2021 lockdowns to support isolated team members with implementing strategies to overcome the mental health challenges that the pandemic presented.

## Raw Material Extraction

Building on our 2020 Palm Oil Audit, MECCA undertook an audit of Mica, another high-risk raw material. In conducting an audit of the ethical sourcing of Mica in products stocked at MECCA, 86% of all Brands with products containing this ingredient who responded to our request for a risk assessment into the extraction of this raw material. Of those brands that responded, all were either members of the Responsible Mica Initiative (RMI), their suppliers of Mica were RMI members or they were able to provide MECCA with written statements. These statements ensured ethical sourcing of Mica and the absence of child labour, bonded labour or modern slavery in the sourcing of this raw material.

## Ethical Sourcing Code

By the end of 2021, MECCA had proudly signed on 97% of its suppliers for MECCA-owned brands to our Ethical Sourcing Code. This Code ensures that all suppliers and manufacturers MECCA is engaging are aligned with MECCA's ethical position on human rights and sustainability.



## 2022 ACTIONS

In reflecting upon the risks identified in 2021, MECCA are committed to ensuring that our 2022 actions continue to build on this progress. We working towards a Modern Slavery Learning Module to add to our compulsory education package to assist in building awareness of modern slavery and its risks throughout our teams. We also wish to amend all brand contracts that were executed prior to 2020 to include our modern slavery clause. MECCA will also look to engage risk-assessment tools that will further support us in identifying modern slavery risks within our supply chains.





## ASSESSMENT OF EFFECTIVENESS OF 2021 ACTIONS

Throughout 2021, despite the global pandemic, MECCA continued to grow. As we have grown, we have onboarded more team members and suppliers than ever before. With all the aforementioned policies, codes and compulsory education modules in place, MECCA is building a network of more educated and aware team members, brands and suppliers. While we acknowledge that we still have a way to go in better understanding the risks of modern slavery within our supply chains, we are committed to understanding modern slavery risks throughout all aspects of our business and supply chains, with a view to mitigate these risks through education and awareness.

## FURTHER INFORMATION

If you have any questions about this statement, please contact us via [compliance@mecca.com.au](mailto:compliance@mecca.com.au)

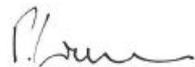
**Principal Governing Body Approval**

This Statement was approved by the Board of Directors of MECCA Brands Pty Ltd as defined by the *Modern Slavery Act 2018* (Cth) on 30 June 2022



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**Joanna Horgan**  
Founder and Co-CEO, MECCA Brands Pty Ltd  
On 30 June 2022



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**Peter Wetenhall**  
Co-CEO, MECCA Brands Pty Ltd  
On 30 June 2022

