MOSAIC BRANDS LTD

MODERN SLAVERY STATEMENT

FY2021

Millers WOMAN • NONI B • W·LANE • KATIES • rivers

rockmans • crossroads • AUTOGRAPH • beme

INTRODUCTION

The elimination of Modern Slavery within all industries remains a driving force behind the daily actions taken by Mosaic Brands. While Modern Slavery continues to be a global challenge, we at Mosaic Brands remain diligent in strengthening relationships with all vendors and stakeholders in order to eradicate the exploitation of any individuals and contribute toward industry improvements.

Although the COVID-19 pandemic continued globally throughout FY2021, Mosaic through its partners continued to successfully execute its Ethical Sourcing procedures, which were further enhanced through remote management & virtual communication.

During lockdowns both domestically and overseas, our Group delivered on our strong commitment to these polices and our Zero-Tolerance approach to all forms of Modern Slavery and were awarded an A+ rating by Baptist World Aid for the policies and governance employed.

Mosaic Brands would like to thank all stakeholders both domestic and international for their support and engagement in the continued pursuit of our Modern Slavery commitments and ambitions.

MODERN SLAVERY DEFINITION

Mosaic Brands' definition of Modern Slavery is as stipulated in the Commonwealth Modern Slavery Act 2018: "situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom."

Mosaic Brands do not condone any of these forms of Modern Slavery;

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

The contents of this Modern Slavery Statement describe the minimum requirements in FY2021 applied to Mosaic Brands' product supply chain, and are adhered to by working in partnership with each respective vendor. The statement specifies the persistent risks found in international retail supply chains and details Mosaic Brands' requirements in order to combat these risks.

This Modern Slavery statement has been prepared in accordance with the Modern Slavery Act 2018. This statement describes the following for the Financial Year 2021 (29th June 2020 to 27th of June 2021):

1. Our Company
2. Our Structure, Operations and Supply Chain
3. Identified Risks
4. Action Plans
5. Assessing and Measuring the Effectiveness of Actions
6. Consultation Process and Journey

OUR COMPANY

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

Mosaic Brands Limited owns and operates nine retail clothing brands throughout Australia and New Zealand, predominately within women's apparel and accessories sold via its network of circa 1,100 stores and on its digital platforms.

Throughout its store portfolio the Group employs approximately 4,500 team members and has five third party warehouses, two distribution service providers, and a Support Centre employing a further 250 people.

Further information about Mosaic Brands Limited's business and operations, including its corporate governance arrangements, are available at

https://www.mosaicbrandslimited.com.au/corporate-governance

Mosaic Brands also has a 50.1% interest in EziBuy, a leading New Zealand womenswear online apparel business. EziBuy is located in New Zealand with its own management team. As the largest shareholder of EziBuy, The group does not control the entity or its operations. However Mosaic Brands provides guidance in sourcing vendors, suggestions on business policies and consultation on best practices for purchasing behaviour, including modern slavery.

Further information about the Ethical Sourcing policies of EziBuy Ltd (company number: 297449), its business and operations including its corporate governance arrangements are available at *https://www.ezibuy.com/shop/au/ethical-sourcing*

This statement outlines the key risks for Mosaic Brands, as well as the actions taken and mechanisms utilised by the Group.

The following companies covered by this statement will be referred as "The Group" or "Mosaic Brands":

- 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: ACN 626 380 934
- Millers Retail Pty Ltd: ACN 626 380 309
- Autograph Retail Pty Ltd: ACN 626 380 390
- Katies Retail Pty Ltd: ACN 626 380 158
- Crossroads Retail Pty Ltd: ACN 626 380 541
- Noni B Holdings NZ Ltd: 6891755

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

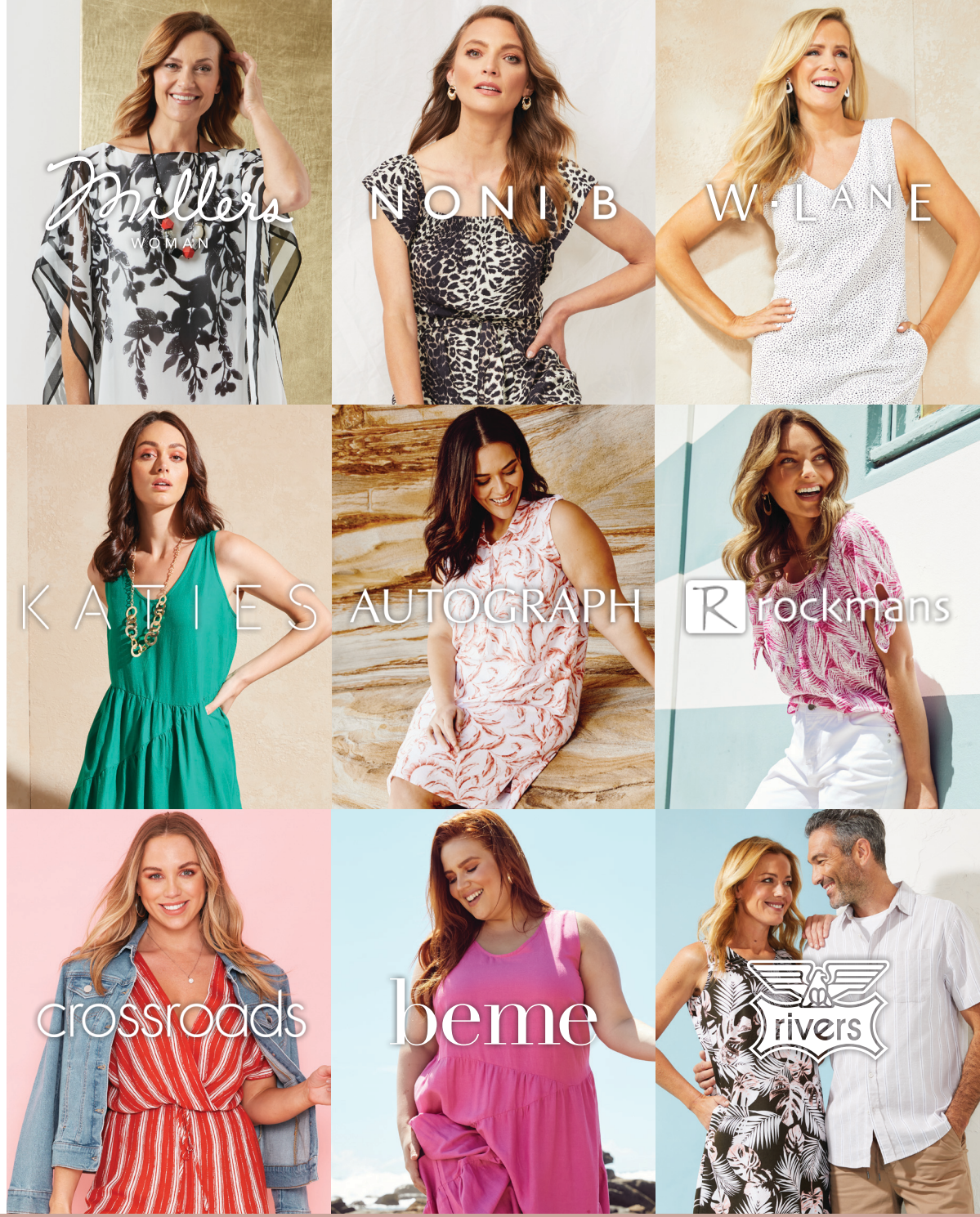
MOSAIC BRANDS BOARD
4 MEMBERS

AUDIT & RISK MANAGEMENT COMMITTEE
3 MEMBERS

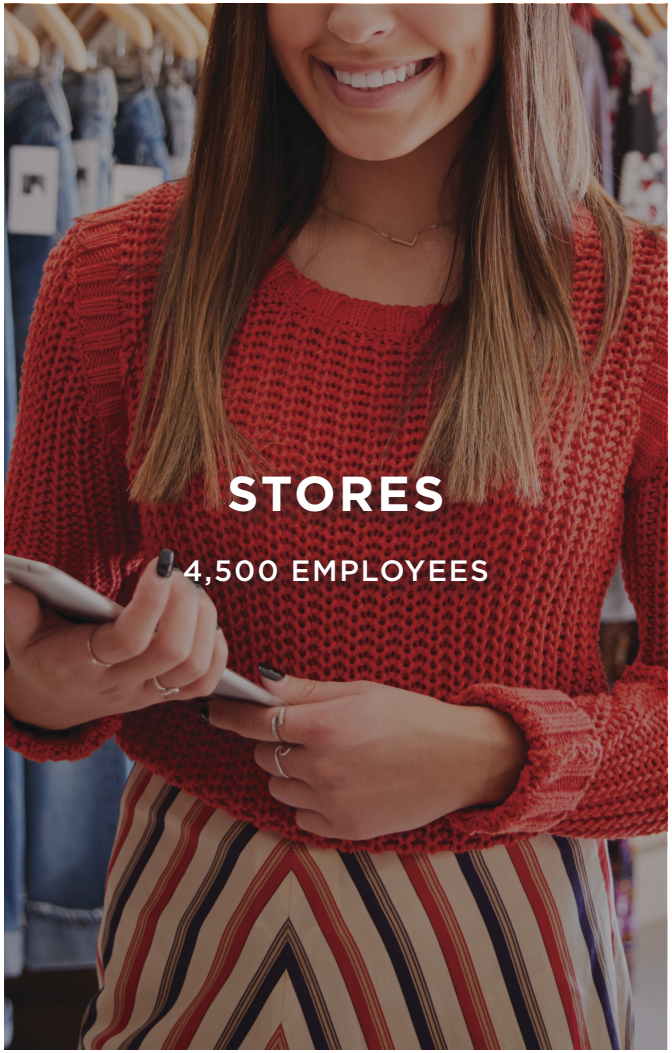
REMUNERATION COMMITEE
3 MEMBERS

EXECUTIVE MANAGEMENT TEAM
15 TEAM MEMBERS

BUSINESS & FUNCTIONAL SUPPORT
250 TEAM MEMBERS



OUR OPERATIONS & SUPPLY CHAIN



IDENTIFIED RISKS

INHERENT RISKS

Although global regulations and business transparency continue to improve throughout supply chains, we are proud that Australia recognises the important area of Modern Slavery and applies higher standards than most countries. Labour conditions are a pertinent issue that Mosaic Brands closely monitors across all 5 countries in our supply chain.

DOMESTIC RISKS

Domestic risks remain very limited due to the workforce demographic employed by Mosaic Brands and Australia's employment regulations. While this continues to be the case, the ongoing COVID-19 pandemic has the potential to create financial or wellbeing pressures on team members, especially when taking into account the many lockdowns that have occurred nationwide.

OVERSEAS VENDOR RISKS

Throughout FY2021, the Group sourced through 5 countries: China, Bangladesh, India, Vietnam, and Pakistan, resulting in 52 active publicly-listed factories with open POs supplying the Group either directly or via a third party. Whilst the Tier 1 supply chain is audited, materials sourced from Tier 2 and 3 vendors from China, Bangladesh and India are being mapped. Final products from these vendors are distributed through third party providers.

The COVID-19 pandemic has affected Global supply chains with constant uncertainty and has forced vendors to have increased concerns regarding on-time shipments, material sourcing, sanitation, lockdowns and layoffs. The many added burdens have potentially shifted vendor focus and can result in a potentially higher risk of modern slavery.

All Mosaic Brands Tier 1 vendors have received an independent audit throughout the year facilitated by our accredited third party inspection partner to ensure policies are adhered to and risks are minimised. Mosaic Brands utilises these audits to monitor the following potential risks in our overseas supply chain:

- Tier 1- Forced labour or human trafficking: these risks are prevalent for migrant workers who are seeking employment. The auditing process ensures that no personal identification records are withheld and the level of non-local workers is regulated.
- Tier 2- Forced labour or debt bonded labour. Similar to Tier 1 risks, but with increased risks involving health and safety due to the amount of chemicals used to process dyed fabrics. Child Labour may also be found at this Tier especially in finishing stages where delicate sewing procedures are required.
- Tier 3- Forced labour, human trafficking, child labour, servitude and debt bonded labour. The process of collecting raw material faces many challenges in the retail industry.

A Risk Matrix was created to analyse the potential risks in the supply chain. All factories with open POs were assessed using a specific method to accumulate unbiased data.

- The "Risk Average" was calculated from three data inputs; Factory Audit Outcome, Country Risk, and Green Certificates.
- The "Leverage Average" was calculated from two data inputs; Purchase Order Quantity and Critical Path Ranking.
- Using the two unique data points, the Group was able to build an assessment of how each factory compares to each other. From this the Group determines the focus to ensure factories remain in low risk categories.

ACTION PLANS

The UN's Guiding Principles for implementing Modern Slavery due diligence are the foundation of our action plans. They include:

1. Identifying and Assessing
2. Integrating Findings
3. Tracking Entities Performance
4. Public Communications

In accordance with the UN's criteria, the Group has six action plans to prevent Modern Slavery. They are:

ZERO-TOLERANCE POLICIES

The ETI (Ethical Trading Initiative) code and the ILO (International Labour Organisation) continue to provide the framework for Mosaic Brands Ethical Sourcing Policies:

- Human Rights
- Workplace Safety
- Fair Pay
- Environment

These Ethical Sourcing Policies remain the first fundamental step for on-boarding new vendors. Mosaic Brands Compliance Team diligently reviews these polices internally in conjunction with feedback from multi-stakeholder groups and Non-Government Organisations. This process resulted in updating and adding policies this financial year. Our Ethical Sourcing Policies are:

1.1 Code of Conduct

1.2 Anti-Fraud and Corruption Policy

1.3 Chemical Restrictions - Notice of Acceptance *updated

1.4 Child Labour, Young Worker, and Forced Worker Remediation Policy *updated

1.5 Cotton Sourcing Policy

1.6 Factory Assessment Audit - Notice of Understanding

1.7 Garment Design and Manufacturing Confidentiality Agreement

1.8 Factory Subcontracting Form *new policy

1.9 Anti-Discrimination and Gender Equality Policy *new policy

VENDOR IMPLEMENTATION

Mosaic Brands' Code of Conduct must be both understood and executed by all vendors. Training on the Code of Conduct was administered by factory management teams. Factories continue promoting workshops on the risks of Modern Slavery at the factory level and document photos of training sessions.

In addition, Mosaic Brands created a Code of Conduct poster to be displayed in all operating factories. These posters are in six languages; Bangla, Chinese, English, Hindi, Urdu and Vietnamese.

Vendors are advised to relay any questions relating to Mosaic Brands' Ethical Sourcing policies, Code of Conduct or Modern Slavery workshops to the Mosaic Compliance team or the factory ethical sourcing hotline.

DEDICATED COMPLIANCE TEAM

The Mosaic Brands Compliance team drives a multitude of programs both internally and externally. Collaborations between vendors and multi-stakeholder initiatives ensure that our Compliance team is able to make adjustments when needed and remain aligned with industry best practice. Key activities administered by the Compliance team include:

- Social factory auditing program
- On-boarding prospective vendors
- Key contact for factory hotline
- Participation in industry webinars
- Engagement with NGOs and multi-stakeholder initiatives
- Conduct internal workshops to promote responsible purchasing practices
- Monitor vendor's implementation of Mosaic Brands Ethical Sourcing Policies

ASSESSMENT AUDITS

All Tier 1 factories with active POs were subject to a Social Audit during the financial year. Audits are carried out by an accredited third party auditor that visits individual factories or facilities to conduct inspections on behalf of Mosaic Brands. These audits are utilised to verify that all requirements, as set out in the Ethical Sourcing Polices, are being adhered to including areas of potential Modern Slavery risk.

In order to improve effectiveness and efficiencies, Mosaic Brands commenced the implementation of a new online platform. The Group is currently in the process of transitioning its auditing reports and corrective action plans to this new platform, which provides shared access for all vendors, stakeholders and auditors.

ENGAGEMENT

• Suppliers

Constant communication with the Group's vendor base is a core value for the business's success. Providing adequate guidelines and promoting open dialogue encourages both vendors and stakeholders to better adhere to all Mosaic Brand Ethical Sourcing Policies.

• NGO and MSI support

Active engagement with industry stakeholders allows the Group to consider priorities as well as strive for continuous improvement. Collaboration with NGOs and MSIs through open dialogue and shared understanding delivers a strong partnership to further achieve industry goals.

Mosaic Brands would especially like to thank Baptist World Aid and Oxfam in particular for their ongoing support and engagement during this financial year.

• Third Party Audit Agency

The partnership established with our accredited third party agency provides our Group with the important tools to work with, support and monitor our overseas vendors.

DOMESTIC ACTIONS

The Group's Code of Conduct and Whistleblower policies provide a framework for guiding behaviour and reducing risk.

During the pandemic the Group continued to communicate weekly to ensure all team members remained informed of current Government restrictions and assistance. Mosaic Brands customised support guide collated a number of financial and wellbeing resources to provide additional support. In addition, the Group continued its Employee Assistance Program to further support teams and their families.

BUSINESS COMMITMENTS

The Group's Ethical Sourcing Polices are a pillar in Mosaic Brands' ethos. Members across all levels are engaged in training in order to promote the company's values.

All buying teams have the knowledge and skills to conduct responsible purchasing practices. These teams are constantly trained on the Group's policies, with courses on Modern Slavery risks conducted quarterly.

Mosaic Brands values building relationships with multi-stakeholder groups in the retail industry. The Group is proud to be a signatory to the two pledges organised by the Responsible Sourcing Network:

• Uzbek Cotton Pledge

• Turkmenistan Cotton Pledge

Both of these pledges make a powerful impact towards elimination of forced and child labour in the raw material stage of cotton procurement.

Mosaic Brands is also proud that during FY2021 we publicly committed to a living wage roadmap. As a result of this commitment, Mosaic Brands mandates all vendors must ensure that no individuals are being paid below the appropriate minimum wage. This is monitored and checked through the collection of wage samples by an accredited audit partner.

ASSESSING AND MEASURING THE EFFECTIVENESS OF ACTIONS

The Group values new techniques and processes combined with the learnings made in prior assessments to support and guide vendors. By comparing yearly results of the same procedures the company is able to gauge where growth has occurred and where a shift in procedures may be necessary. Mosaic Brands focused on four assessment techniques in FY21:

ASSESSMENT	GUIDELINE	ACTION TAKEN/MEASUREMENT
DUE DILIGENCE / ON BOARDING PROCEDURE	Ensuring vendors understood, completed and signed required policy documents	• The Compliance team reviewed all Mosaic Brands current suppliers to ensure they have signed and have confirmed understanding of the Group's commitments and ethical sourcing requirements. • An internal auditing team was introduced to enable random checks to confirm onboarding processes are adhered to. • 100% of on-boarded vendors completed requirements within 2 weeks of on-boarding
GRIEVANCE MECHANISMS	Mosaic Brands Whistleblower policy and overseas factory hotline	• Mosaic Brands Whistleblower policy is made available to all supply chain partners, factories, and all Group team members to confidentially and anonymously highlight concerns in the workplace. • Mosaic factory hotlines are clearly printed and displayed at all factory premises on the translated Vendor Code of Conduct posters. This poster is mandatory to display in all Tier 1 factories for all factory workers to notify of any workplace concerns confidentially and anonymously. • Both Mosaic and factory hotlines have been checked as top priority and addressed immediately. 85% of Tier 1 vendors have provided photos of these posters and of the teams in training sessions. The group is continuing to engage and follow up with the outstanding factories.
COMPREHENSION CHECK	Modern Slavery and Ethical Sourcing Purchasing Practice and Behaviour	• Regular internal training for all buying team members is conducted at the Group's Support Office to ensure purchasing behaviours are practiced ethically. To gauge understanding, an online training module is conducted quarterly, and achieving a passing score is mandatory. • All new members of Mosaic Brands support office must read and return a signed declaration page stating they understand the Vendor Manual including all Ethical Sourcing Policies. • 100% participation and passing score for all buying teams in Modern Slavery and Ethical Sourcing Practice and Behaviour. All on-boarding buying team members have completed the declaration of understanding Mosaic Vendor manual.
ANNUAL FACTORY SOCIAL AUDITS	Corrective Action Plan (CAP) - Improvement and Completion	• CAP's are given to all international vendors post their social audits. Subsequently all vendors are required to report their CAP progress following a detailed timeline. • This progress is monitored by the Group's compliance team along with support and guidance given to ensure any corrective actions are achieved. • 100% of vendors with open PO's to have current social audit. During FY2021 42% of vendors completed their second audit with an improved performance score.

OUR CONSULATION PROCESS AND JOURNEY

This statement covers the financial year of 2021. During the process of drafting this statement the Group engaged with all parties to clearly outlined its values, policies, and strategies as well as requirements under the Modern Slavery Act 2018. Mosaic Brands' action plans, strategies, and accomplishments were provided to all relevant teams, partners and external consultants to ensure understanding.

PLANNING FOR OUR FUTURE

Mosaic Brands is constantly striving to make improvements and tackle industry-based challenges. As the Group anticipates the preparation of our next Modern Slavery Statement, key programs have been initiated. The first milestone on our roadmap to a living wage is gathering the extensive amount of wage data needed to create tangible benchmarking. This data will then be uploaded to our online platform to be formalised and analysed. Further, the Group will expand its partnership and support mechanisms from Tier 1 into Tier 2 and ultimately Tier 3 factories progressively over the course of the years. A remediation protocol will also be mapped for the coming financial year continuing the groups best practice approach. Training for internal and external stakeholders on the Group's best practice approach will be conducted by the Compliance team.

CONTINUED COMMITMENT

As outlined previously, the elimination of Modern Slavery within all industries remains a driving force behind the daily actions taken by Mosaic Brands. The Group will celebrate all accomplishments in eradicating the exploitation of any individuals, and will persist in contributing towards industry improvements. The Group understands that Modern Slavery continues to take place around the globe, and we remain diligent in strengthening our relations with vendors and stakeholders to continue to make positive contributions. Mosaic Brands is committed to being a part of progress and understands its duty in achieving shared commitments.

The CEO and the Executive Team remain entrusted with the responsibility of ensuring 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