

MODERN SLAVERY ACT

STATEMENT

2023

city chic collective

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LEADING A WORLD OF CURVES

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## INTRODUCTION

This Modern Slavery Act Statement is made by City Chic Collective Limited (ACN 057 569 169) ('CCX') pursuant to the Australian Modern Slavery Act 2018 ('Act') and is made in respect of the FY23 reporting period (being the 52-week period ended 2nd July 2023). This report is the fourth statement made by CCX under the Act, and while it is in respect of FY23, it includes references to actions undertaken prior to FY23 in order to provide historical context for our current position in understanding and managing modern slavery risk.

CCX is the reporting entity for the purposes of the Act and is a publicly listed company on the Australian Securities Exchange ('ASX') with its head office in Sydney. This Modern Slavery Act Statement however covers the activities and operations of CCX and its subsidiaries (collectively, the 'City Chic group', 'City Chic Collective' or 'our' or 'we') across the regions in which the City Chic group operates.

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This Statement was prepared to meet the mandatory reporting criteria set out under the Act.

The table below identifies where each of the mandatory criterion can be found in CCX's Modern Slavery Act Statement.

<b>CRITERIA REFERENCE IN THIS STATEMENT</b>		<b>Pages</b>
1	Identify the reporting entity	1-2
2	Describe the reporting entity's structure, operations and supply chain	3-11
3	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	11-14
4	Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	15-19
5	Describe how the reporting entity assesses the effectiveness of these actions	20-21
6	Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	22

## CITY CHIC COLLECTIVE

### A GLOBAL COLLECTIVE OF PLUS-SIZE BRANDS

City Chic Collective is a global omni-channel retailer specialising in plus-size women's apparel, footwear and accessories.

It is a collective of customer-led brands and has a strong following in Australia, USA, UK, Europe and New Zealand.

Our omni-channel model comprises of a network of stores across Australia and New Zealand (ANZ) and websites operating in ANZ, the USA, the UK and Europe. The collective of brands are also available through third-party marketplace and wholesale partners in Australia, New Zealand, US, Canada, UK, Europe and the Middle East.

## OUR VISION

LEADING A WORLD OF CURVES

## WE ARE

GLOBAL  
PLUS-SIZE  
CUSTOMER LEAD  
OMNI CHANNEL

## OUR BRANDS

city chic    avenue<sup>®</sup>  
EVANS    navabi

### SALES FY23

**\$268.4M**

### WEBSITES

**AU, NZ, USA, UK, EU**

### EMPLOYEES

**688**

### STORES

AU/NZ **86**

### FULFILMENT CENTRES

**AU, USA, CAN, UK, GERMANY**

### ACTIVE CUSTOMERS

**970K**

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## OUR SUPPLY CHAIN

City Chic Collective products are sold through a network of stores in Australia and New Zealand, online via our websites in Australia, New Zealand, USA, UK, EU and to customers in the North America, UK, Middle East and Europe through partner platforms.

Whilst we are a fashion omni channel retailer, we procure goods and services for both trade and non-trade items or services:

### **TRADE PRODUCTS (GOODS FOR RESALE)**

- Apparel
- Footwear
- Intimates & swim
- Accessories (e.g., Belts)

### **NON-TRADE - (GOODS NOT FOR RE-SALE)**

- Head office operations & utilities
- Supply Chain - Logistics, warehousing, & freight services
- Store operations and utilities
- Technology - Hardware and software services
- Marketing

Product is designed in Sydney, Australia and is manufactured by our partner factories or agents which are primarily based in China, Through the year we adopted the strategy to simplify our supply chain and only source out of a concentrated number of regions which also included Bangladesh, India, and Vietnam. The City Chic group does not own or partially own any factory or manufacturing plants. All our sourcing and procurement is via 3rd parties, as detailed more fully below.

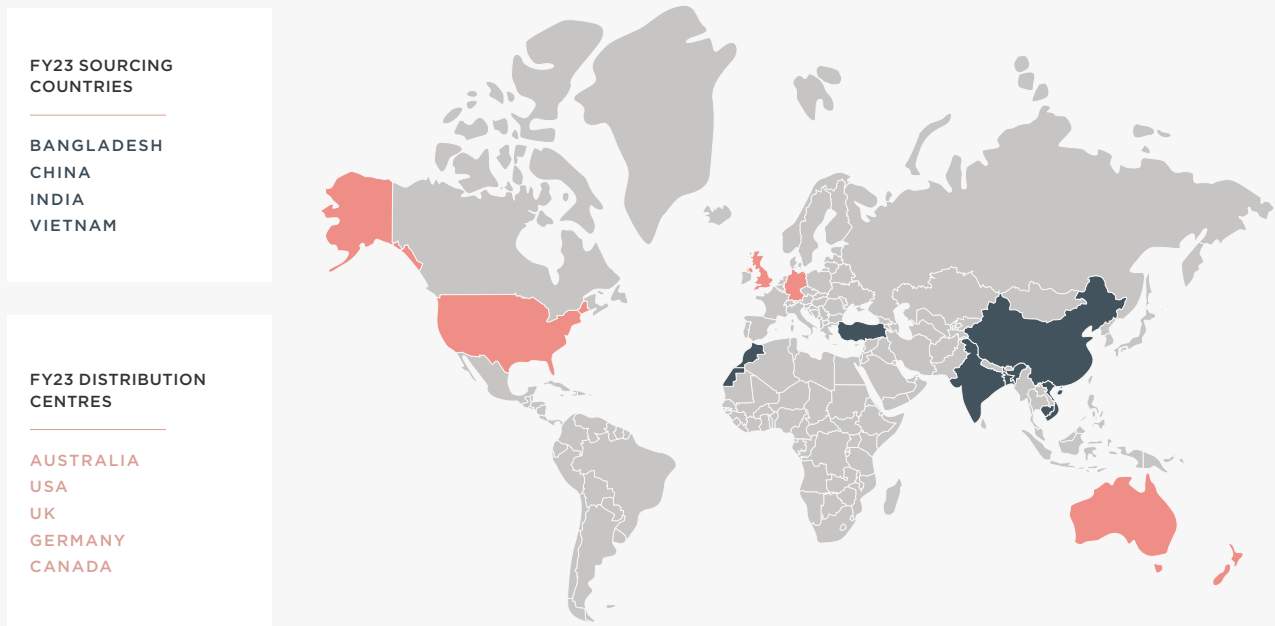
Our goods are primarily shipped from various China and southeast Asian ports to our 3rd party fulfilment centres or distribution centres based in Sydney, Dallas, Gateshead, and Germany, along with shipments direct to wholesale partners in the USA, Canada, Middle East and Europe.

We use a combination of localised transport companies and carriers to distribute customer orders, and bulk goods are primarily transported via international shipping lines and road / rail transport throughout Australia, NZ, Europe and North America. In limited contexts, we use international air freight to transport bulk goods.

With a store network across Australia and New Zealand, and our online platforms across the globe, we have customer service call centres based in Philippines, Mexico and Fiji, (and South Africa, which closed shortly after the FY end), which are managed by third party service providers well as an in-house customer service team in our Sydney head office.

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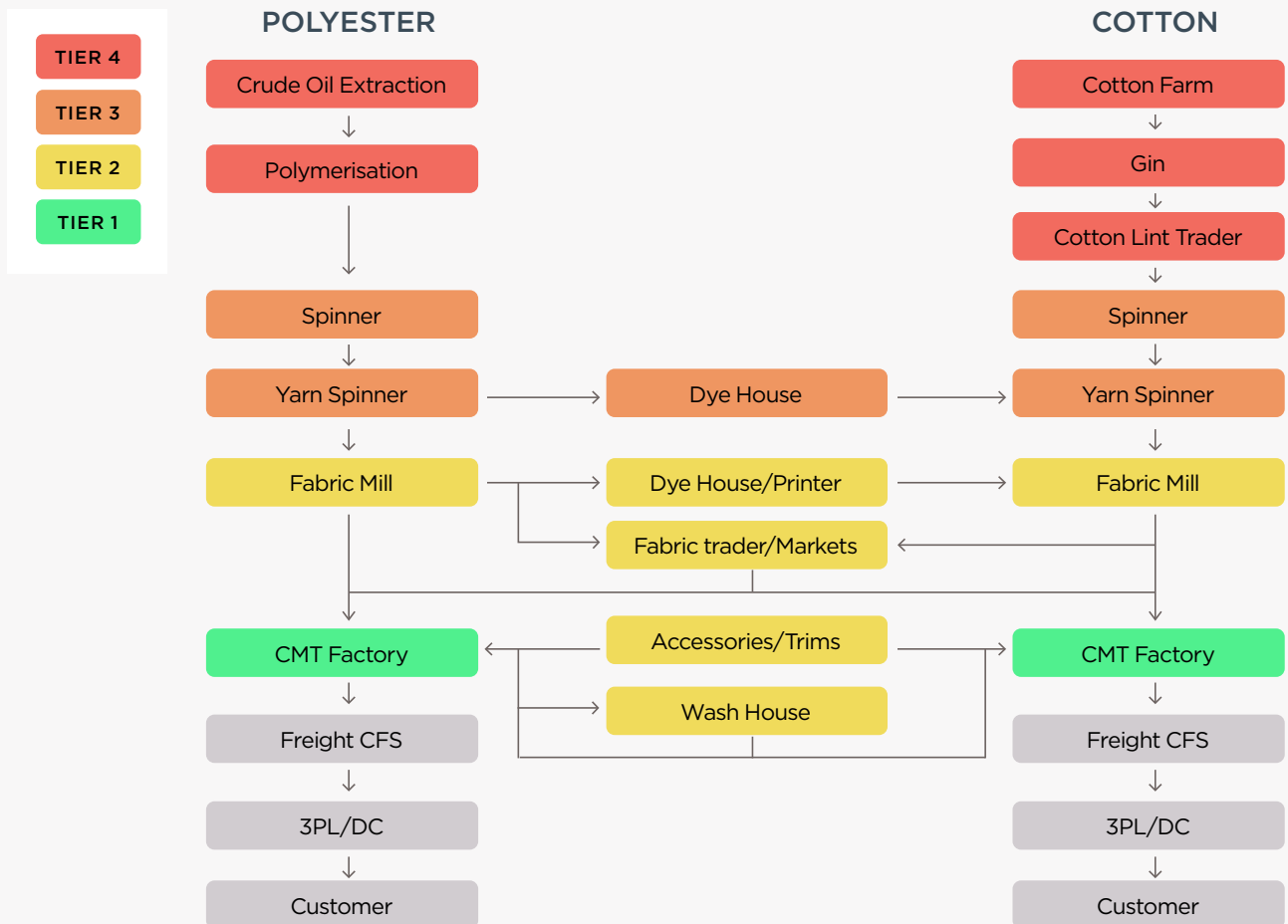
## CCX GLOBAL SUPPLY CHAIN



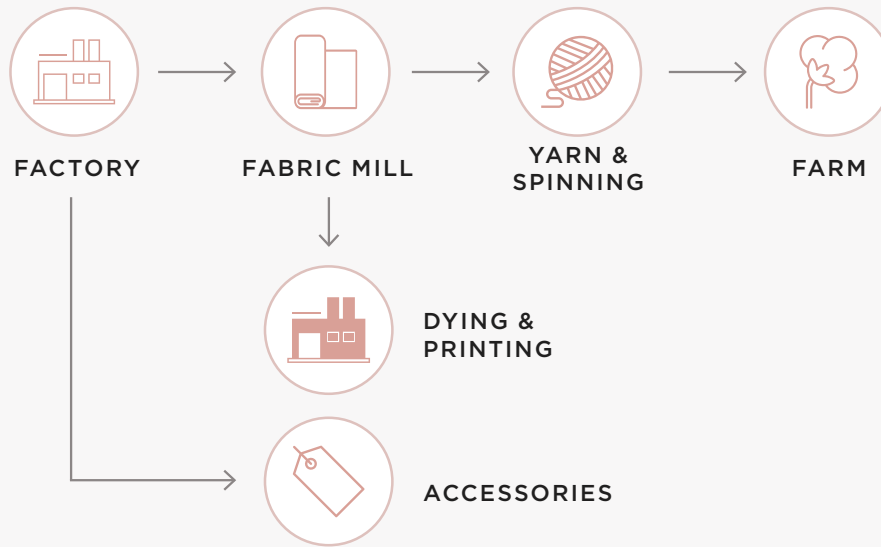
For our main product types (being Apparel), the end-to-end supply chain and processes may differ depending on the raw materials, trims and/or suppliers selected. Whilst there are common processes, the engagement or relationship between all suppliers that make up each individual product can have independent supply chains.

Whilst we strive for consolidation and consistency in supply, we are finding as we work through mapping deeper into the tiers that construct our supplier chain, we may encounter more complexity and/or additional suppliers or sources.

The following diagram represents two key fibres or raw materials (Polyester and Cotton) and is an example of their individual supply chains:



The apparel and footwear supply chain are highly complex and involve many layers. We define these layers as tiers within our supply chain, and we have identified the following 4 tiers:



TIER	DEFINITION	EXAMPLES	RELATIONSHIP
1	Factory & Production Workshops	Factory that cuts, makes and processes City Chic group product that is shipped to us or our partners for sale.	Direct & Indirect to CCX
2	Fabric Mills, Accessories Suppliers, Dying & Printing Mills	Where Fabric is produced. Trim suppliers such as buttons or zips.  Includes processing mills that fabric mills use to dye or print fabrics and accessories.	Indirect to CCX
3	Yarn & Spinning	Textile mills and spinners of yarns.	Relationship with Tier 2
4	Raw Material Sources	Cotton farms, plantations, ginning, man-made chemical processing.	Relationship with Tier 3



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Our supply chain has traditionally been China focussed, with the core of our factories still based primarily in the South China provinces, however we also work with factories in Bangladesh, India, and Vietnam. These relationships have been built and maintained through a satisfactory level of transparency and trust and the suppliers have grown with our business and we are assured that they have embedded strict ethical trade policies in their business operations.

Our supplier & factory data:



**61**

Tier 1 Factories



**130**

Tier 2 Factories



**4**

Sourcing Countries



**21,020**

Tier 1 Garment & Footwear Workers



**64%**

workers are female 36% male in Tier 1 factories



**73.8%**

Tier 1 Factories achieved "green" Factory Audit Risk Rating<sup>1</sup>



**SINGLE**

appointed Freight Forwarder up to June 23



**SHIP GLOBALLY**

To Major Ports in AUS, USA, UK, Germany, Canada and NZ

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<sup>1</sup> The Factory Audit Risk rating is made up of the factory's social audit score along with consideration of the severity of any non-conformance issues identified. A green risk rating is defined as an audit score above the average with no critical issues found, and less than 10 non-conformance issues. For example, a non-conformance may be an inadequate number of workers are trained in first aid. A red risk rating means an audit score below the average and non-conformances are associated with a higher corrective action plan priority, along with potentially a shorter timeframe to remediate. For example, Are there an adequate number of fire extinguishers and or other fire extinguishing systems in each building. Red risk ratings do not, however, include any zero tolerance issues, for example a Forced labour or Child labour issue.

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## **POLICIES & CONTROLS IN PLACE**

Whether we place orders via an agent/trading company or directly with a factory, we require our partners and suppliers to disclose all 'Tier 1 and 2' factories they wish to use to supply product for any of our brands.

We have established our human rights policies by aligning to the following International Labour Organization ('ILO') conventions as our guiding principles. These basic human rights include, but are not restricted to, the following fundamental freedoms and rights:

### **Freedom from discrimination (ILO Convention 111)**

We employ and deal with all workers fairly and without discrimination regardless of their race, religion, sex or disability. We do not discriminate against individuals who wish to exercise their legitimate rights.

### **Freedom from slavery or servitude (ILO Conventions 29 & 105)**

We oppose forced labour, prison labour and bonded labour (people forced to work until they have paid off a debt). We never confiscate identity papers, forbid workers to leave facilities or coerce workers with threats of violence or non-payment.

### **Freedom of association (ILO Conventions 87 & 98)**

We believe in freedom of expression and freedom

of thought when exercised in accordance with local laws. All workers have the right to form and join groups for the support and advancement of their occupational interests. We ensure that the voice of workers are fairly heard and taken into account.

### **Freedom from invasion of privacy (ILO Convention 183)**

We respect the right of each worker to privacy and never engage in invasive conduct such as body searches or unwanted pregnancy testing.

### **Living wage (ILO Convention 95 & 131)**

All workers in the factory of our partners must be paid wages and benefits that should, at a minimum, be enough to meet basic needs for living and meet national legal standards.

### **Forced or prison labour (ILO Conventions 29 & 105)**

We have a zero tolerance for involuntary work in breach of the freedom from slavery or servitude described above.

### **Child labour (ILO Convention 138 & 182)**

We have a zero tolerance on the employment of anyone under 16 years or younger than the age for completing compulsory education in the country of manufacture (whichever is higher). Every child has the right to develop physically and mentally to her or his full potential and we expect our business

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partners to take all reasonable steps to confirm the age of all workers and uphold the fundamental protections set out in the *United Nations Convention on the Rights of the Child*.

With this in mind, we have developed a “Vendor Factory” onboarding pack which seeks to communicate these expectations, help the factories in our supply chain prepare appropriately for social audits and to implement and embed our ethical trade policies.

The Vendor Factory onboarding pack consists of (but is not limited to) the following policies and processes:

### **Code of Conduct (COC)**

The vendor code of conduct has been developed to help communicate clear expectations of our ethical trade policies. All Tier 1 factories read and sign up to this conduct.

### **Rules of Engagement**

The Rules of Engagement are the 10 key pillars of our ethical trade program.

They underpin what we stand for in seeking to ensuring no worker is exploited in our supply chain and that all workers experience safe and fair working conditions.

### **Social Audits**

As part of our assurance activities and social audit program, we seek to audit social compliance for all Tier 1 factories that work with us. The social

compliance audit covers the following areas:

1. Health & Safety, Hygiene
2. Waste Management
3. Child Labour
4. Working Hours, Wages & Benefits, Living Wage
5. Labour Practices

This audit is based on the SA8000 standard and also considers mandatory local legislation as well as international guidelines. We aim to audit all Tier 1 factories on an annual basis, however depending on corrective action plans we have put in place, some factories may require follow up checks after 3 or 6 months from their last audit.

As we continue to map our supply chain, we will seek to extend our auditing to tiers below Tier 1, which over time may include laundries, trim/accessory suppliers and fabric/yarn mills.

### **Whistle-Blower Policy**

CCX is committed to creating an ethical work environment where our team members feel safe and are encouraged to speak up and report conduct that concerns them. We recognise that wrongdoing may not be uncovered unless there is a safe and secure means for telling someone about it. We recognise that uncovering wrongdoing is important for managing risks, maintaining our integrity, and upholding our corporate governance framework. Our Whistle-blower Policy is part of our overall corporate governance framework and

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includes disclosures by employees and officers as well as current and former contractors and suppliers.

### **Uyghur & Forced Labour Tracing Policy (Chain of Custody Process)**

During the reporting year we strengthened our ban on regions that have been identified as regions that may use or endorse the use of forced labour or Uyghur labour<sup>2</sup>, and we introduced a more rigorous chain of custody process to help us trace our cotton supply chain and validate sources through each step of the process.

We require our Tier 1 suppliers to:

- Read and sign our cotton ban policy
- Sign a declaration that no cotton or labour will be sourced from any of the banned regions specified
- Trace and disclose all tiers of the supply chain
- Compile chain of custody documents, with proof of purchase of all materials, from farm to factory

During the reporting period we continued to enhance this process by broadening the scope beyond the cotton supply chain. We rolled out our Forced Labour Chain of Custody Process to all our Tier 1 factories. This process requires the Tier 1 factories to trace and document all stages of their supply chain.

## **IDENTIFYING RISK**

We are aware that the risk of modern slavery exists in the textile and garment industry supply chain.

We are also aware that as we broadened our sourcing regions over the last few years, there is heightened risk of modern slavery as we look to regions where there may be more migrant workers or vulnerable populations.

According to the UN, Walk Free, IOM and Global Slavery Index Report on Global Estimates of Modern Slavery 2022, (2022GEMS), it is estimated that up to 49.5 million people are enslaved<sup>3</sup> with 59% of victims in the Asia and Pacific region. 53.9% of these victims being female and 1 in 4 children<sup>4</sup>.

City Chic Collective recognises that there is a risk of modern slavery in any area of our business where there is:

- + Migrant labour (country to country or within a country)
- + Temporary and contract agency workers
- + Outsourced recruitment and human resources functions
- + Where minimum wage does not equal living wage
- + The use of young workers or child labour
- + Workers displaced because of COVID-19 shutdowns and restrictions
- + A high level of refugee or vulnerable population

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<sup>2</sup> <https://www.cottoncampaign.org/> Laura T. Murphy, et al. (2021). "Laundering Cotton: How Xinjiang Cotton is Obscured in International Supply Chains." Sheffield, United Kingdom: Sheffield Hallam University Helena Kennedy Centre

<sup>3</sup> The UN defines modern slavery as slavery offences, sexual servitude offences, trafficking in persons offenses, forced labour, deceptive recruitment, debt bondage and organ trafficking.

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- + Entering new sourcing regions and/or developing countries
  - + Workers displaced due to wars or conflict
  - + Countries impacted by climate related events - e.g. communities displaced from natural disasters such as floods/fires resulting in loss of homes etc.

In the apparel and textiles industry, we believe these risks include bonded or forced labour, trafficked persons, or deceptive recruitment along with use of child labour within the supply chain.

Our approach to identifying modern slavery risk has been to:

1. Understand modern slavery is a risk and can be present in our supply chain.
2. Educating ourselves on the triggers and signals to look for.
3. Strengthening our ethical trade policies to help address risks.
4. Implementing monitoring techniques to support our policies.
5. Preparing remediation plans.
6. Due diligence on our processes and policies.
7. Continuous improvements on policy, process and awareness.
8. Collaborating with industry, civil society and government.

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<sup>4</sup> [https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_855019/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_855019/lang--en/index.htm)  
<https://www.walkfree.org/reports/global-estimates-of-modern-slavery-2022/>

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The 2021 Global Estimates show that millions more men, women, and children have been forced to work or marry in the period since the previous estimates were released in 2017<sup>4</sup>.

“

Forced labour is believed to account for 27.6 million of those in modern slavery.

This absolute number translates to 3.5 people in forced labour for every thousand people in the world<sup>4</sup>.

“

Women and girls make up 11.8 million of the total in forced labour. More than 3.3 million of all those in forced labour are children<sup>4</sup>.

Walk Free and the Global Slavery Index (GSI) estimate that 29 million of the 49.6 million people living in modern slavery are in the Asia and Pacific region<sup>5</sup>. With the highest prevalence of modern slavery, state-imposed forced labour and weak governance in these countries, our focus has been on ensuring we understand our modern slavery risks given this our main sourcing region.

We are committed to taking steps and undertaking the right level of due diligence to try and ensure our supply chain does not source directly or indirectly from regions that openly engage in the use of forced labour, in line with our responsibilities under the UN Guiding Principles (UNGPs) on business and human rights.

By understanding if our operations or activities are a connection to a negative impact or if we have a duty to provide future remedy, we reference the UNGPs concept of “Cause, Contribute and Directly Linked” to define our relationship with the risk.

CONCEPT	DEFINITION	REFERENCE <sup>6</sup>
CAUSE	“Where a business enterprise causes or may cause an adverse human rights impact, it should take the necessary steps to cease or prevent the impact.”	UNGP 19 commentary
CONTRIBUTE	“Where a business enterprise contributes or may contribute to an adverse human rights impact, it should take the necessary steps to cease or prevent its contribution and use its leverage to mitigate any remaining impact to the greatest extent possible. Leverage is considered to exist where the enterprise has the ability to effect change in the wrongful practices of an entity that causes a harm”	UNGP 19 commentary
DIRECTLY LINKED	“Where adverse impacts have occurred that the business enterprise has not caused or contributed to, but which are directly linked to its operations, products, or services by a business relationship, the responsibility to respect human rights does not require that the enterprise itself provide for remediation.” <sup>11</sup> A company is expected to use its leverage to prevent or mitigate the impact, however”.	UNGPI3

The UNGP states that these concepts are not strict categories, but instead to be considered like all other aspects of the UNGPs, they are intended to be read with the objective of “enhancing standards and practices with regard to business and human rights so as to achieve tangible results for affected individuals and communities, and thereby also contributing to a socially sustainable globalization.”<sup>7</sup>

With this in mind, we conducted a risk assessment of existing and potential sourcing geographies and risk operations to evaluate each region on their human rights risks including key indicators for modern slavery risk.

<sup>5</sup> <https://www.walkfree.org/global-slavery-index/map/#mode=data>

<sup>6</sup> [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

<sup>7</sup> UNGP 13, UNGPs, General principles

<sup>7</sup> [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

Alongside our internal risk assessments, we conduct worker surveys and provide worker hotlines (grievance hotlines) in our Tier 1 factories, so that we can identify areas of concerns that are being provided directly from the factory workers. We have developed subtle modern slavery related questions within our worker surveys that act a trigger for us to investigate or remediate.

The combination of risk assessments, audits and worker voice tools help us formulate the areas to target as priority in applying due diligence.

As we continue to map our supply chain, , it enables us to put steps in place to address the different risks types.

<b>TIER</b>	<b>SUPPLY CHAIN OPERATION</b>	<b>RISK TYPES</b>	<b>KEY CAUSES</b>
On AU Shore Operations	Stores Fulfilment Centres Head offices Cleaning services	Forced or Bonded Labour Forced Marriage	Migrant Wvorkers Temporary Labour High Female Labour Force
International Operations	Logistics – Freight Forwarding Call Centres	Trafficked Persons Forced or Bonded Labour Forced Marriage	Migrant Workers Temporary Labour High Female Labour force
Tier 1	Factory (cut, make, trim)	Forced or Bonded Labour Freedom of Movement Child Labour	Migrant Workers Displaced Due to COVID
Tier 2	Fabric Mills Dying & Printing Accessories Suppliers	Forced or Bonded Labour Freedom of Movement Child Labour	Migrant/Temporary Workers Displaced Due to COVID Deceptive Recruitment
Tier 3	Yarn & Spinning Mills	Forced or Bonded Labour Freedom of Movement Child Labour	Migrant / Temporary workers Deceptive Recruitment Displaced due to Covid Displaced due to Climate disasters
Tier 4	Farms/Resource Mining Cotton Farms Linen & Forestry	Forced or Bonded Labour Freedom of Movement Child Labour Trafficked Persons	High level Refugee / Vulnerable Population Use of Uyghur Labour Migrant / Temporary workers Deceptive Recruitment Displaced due to Climate issues

## UNDERSTANDING & MANAGING RISKS

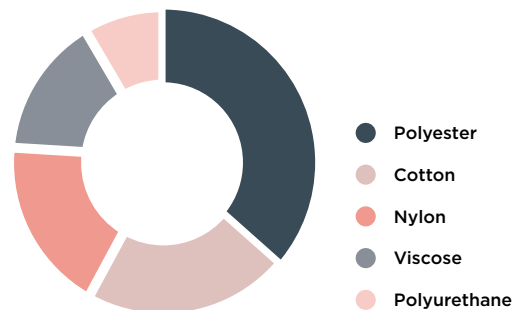
Whilst we acknowledge that modern slavery risk is likely to be found in some capacity in all industries and areas of operation, based on our understanding of the garment, textile and footwear industry, (along with data on highest prevalence regions of modern slavery), we believe that the areas at highest risk of modern slavery within City Chic Collective's operations are within the garment manufacturing processes that sit under tier 2 in our supply chain, being Cotton Farming, Yarn and Dye Mills and Synthetic fibre production processes.

TIER	DEFINITION	MAPPING STATUS	EXPECTED MODERN SLAVERY RISK LEVEL
1	Factory & Production workshops (includes approved sub-contracting CMT units)	Fully Mapped	Lowest
2	Fabric Mills & Accessories Suppliers, Dying & Printing Mills	Majority Mapped	Medium
3	Yarn & Spinning mills	Commenced Mapping	Highest
4	Raw Material Sources (including farms)	Commenced Mapping	Highest

As we reported last year, we still believe our biggest Modern Slavery risks lie within the cotton supply chain and as a result we continue to make it a focus for investigation and actions.

Whilst a commodity product, cotton is not as widely used in CCX as synthetic fibres are used and is used in less than 25% of the product sourced in FY23.

### FY23 TOP 5 FIBRE % SPLIT





However, with the heightened risks associated with cotton farming, and allegations of forced labour camps being used in cotton farming originating from the Xinjiang Uyghur Autonomous Region (XUAR) we have chosen to make cotton tracing, and better understanding the sourcing process around cotton, a priority.

In 2021, we commenced a pilot to test our cotton origins as part of our due diligence process. This pilot spanned across two reporting periods, and in our last statement we presented our findings as part of our case study published in our FY22 Modern Slavery Statement.

It is important that we continue to monitor our actions and progress against the activities that form part of our roadmap, including items that were “ongoing” from previous years which are included below:

### Progress Report (FY23 Status)

*Includes ongoing items from FY22*

ITEM	ACTIONS	STATUS
Map Supply Chain	<ul style="list-style-type: none"> <li>+ Continued to map deeper into our supply chain.</li> <li>+ Focus on cotton tracing down all tiers.</li> <li>+ Chain of custody process underway for higher risk categories.</li> </ul>	Ongoing - As per status report in above mapping table.
Modern Slavery Risk Assessment	<ul style="list-style-type: none"> <li>+ Evaluation of key regions and their potential human rights risks.</li> </ul>	Completed and continue to monitor.
Strengthen Ethical Trade Policies	<ul style="list-style-type: none"> <li>+ Enforced bans on certain cotton sourcing regions. Introduction of supplier chain of custody reporting and tracing.</li> </ul>	Completed and Ongoing for continuous improvement.
Collaboration	<ul style="list-style-type: none"> <li>+ Business partner with 'Be Slavery Free' and the 'Mekong Club'.</li> <li>+ Signed up with Responsible Sourcing Network to pledge a ban on the use of cotton from high-risk areas.</li> </ul>	Ongoing
Worker Voice Program	<ul style="list-style-type: none"> <li>+ Implemented pilot for worker surveys in Tier 1 factories in China.</li> </ul>	Pilot completed, roll out completed in Bangladesh.
Customised Audits	<ul style="list-style-type: none"> <li>+ Enhanced audits and/or certifications in place.</li> <li>+ Developed a living wage tracker.</li> <li>+ Develop Program for Living wage focus factory audits.</li> </ul>	Ongoing

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## Key Actions through FY23

### Tracing & Transparency

As noted above, our focus continues to be tracing and getting greater transparency across more of our supply chain. Due to the risk profile associated with cotton, we focused on putting in place enhanced policy and procedures to help minimise our risks, including more focus on the chain of custody process for risk categories.

### Strengthening Policy

In strengthening our cotton origins bans, enhancing our cotton chain of custody process and researching methods on how we can validate the origins of where cotton comes from, we have set up a process that we can apply to any fibre or risk area. We believe our chain of custody audit process will be part of our roadmap for years to come.

### Due Diligence & Risk Assessment

We continued to update our living wage tracker internally to report, by factory audited, their progress and any gap to paying a living wage. Our enhanced audits place more emphasis on the link between paying a liveable wage and ensuring factories are using a responsible worker recruitment process, which supports us in monitoring risks within our Tier 1 factories. Through our audit process, we continued to gather wage data and work with factories to establish living wage benchmarks, so we can then assess and focus on risk areas.

We expanded our human rights risk assessment to capture to a full ESG risk assessment and workgroup. We recognise that there are links between climate or natural disasters or climate change and the impact on people. We continue to assess if these impacts have direct link to the people in our supply chain or communities.

### Collaboration

We continue to be a business partner with 'Be Slavery Free' and the 'Mekong Club', giving us access to training, tools and insights on how to find and remediate modern slavery risks. We seek to take opportunities to engage in both industry and cross industry discussions or round tables, to both learn and collaborate with peers. We recognise collaborating with experts on the ground onshore and offshore helps us to formulate better processes and remediation strategies.

### Remediation Plans & Actions

We know we do not have all the answers on how to find and remediate all forms of modern slavery risk in our supply chain. We also acknowledge that these risks may have been heightened with the challenges of the global pandemic, various climate related and geopolitical events.

The challenges we have experienced in travelling in prior years have continued. These challenges inhibit our ability to engage directly, face to face with factories and workers within the supply chain, however, we have implemented alternative approaches to continue to engage with our supply

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chain, both directly and indirectly through third parties who represent City Chic, to seek to remain engaged, to act and to respond to issues.

We also recognise we do not have all the expertise, capacity, or ability to achieve everything on our own and we recognise that we need to collaborate and/or partner with industry, NGO's, local experts, and civil society<sup>9</sup> to help us and the industry more broadly, try to make some systemic changes.

With the help of 3rd party social audits, worker grievance mechanisms and worker surveys in place across the majority of Tier 1 factories, this tight monitoring allows us to develop corrective action plans to remediate any issues quickly.

We recognise that remediation strategies cannot be a 'one size fits all' approach, and that careful assessment is needed, case by case, to determine the most effective and appropriate remediation strategy to deploy within a given set of circumstances.

Throughout the year, we engaged NGO's and industry peers to educate ourselves on improving controls and processes, and on practical options we should consider when developing remediation strategies.

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<sup>9</sup> <https://www.un.org/en/sections/resources-different-audiences/civil-society/index.html>

## OUR FUTURE ACTION PLAN

ITEM	ACTIONS	FY23 STATUS UPDATE	KPI TARGET FY24
Map Supply Chain	<ul style="list-style-type: none"> <li>+ Continue to map deeper into our supply chain, down to Tier 4.</li> <li>+ Target Cotton Tracing</li> <li>+ Expand focus to high-risk areas for other product.</li> </ul>	<p>Tier 1 - 100% completed. Tier 2 - est. 60% completed. Tier 3 &amp; 4 - target 50%</p>	<p>Tier 1 - 100% ongoing Tier 2 - target 80% Tier 3 &amp; 4 - target 50%</p>
Remediation Plans	<ul style="list-style-type: none"> <li>+ Formulate remediation plans for the different modern slavery risks</li> <li>+ Understand the different cultural challenges by region when developing remediation plans</li> </ul>	<p>Remediation plans in place for high-risk areas.</p>	<p>Ongoing updates to plans</p>
Due Diligence	<ul style="list-style-type: none"> <li>+ Engage and pilot testing cotton and its origins with a 3rd party</li> <li>+ Audit factory chain of custody process via 3rd party</li> <li>+ Develop criteria for assessing modern slavery risk in 3rd party providers</li> </ul>	<p>Cotton testing Pilot Completed, Expanded due diligence beyond testing – Supply Chain mapping in place.</p> <p>Implement 3PL Code of Conduct and audit based on risk assessment - completed.</p>	<p>Scope an ongoing origin testing program in place Expanded due diligence beyond testing.</p> <p>Implement 3PL Code of Conduct and audit based on risk assessment</p>
Living Wage	<ul style="list-style-type: none"> <li>+ Assess options to join multi stakeholder initiatives focussed on living wage</li> </ul>	<p>Completed.</p> <p>Wage gap analysis in place</p>	<p>Living Wage focussed audits to roll out to top 10 factories</p>
Collaboration	<ul style="list-style-type: none"> <li>+ Partner with NGOs to help with localised training and worker support</li> </ul>	<p>Ongoing</p>	<p>Ongoing</p>
Worker Voice	<ul style="list-style-type: none"> <li>+ Roll out surveys and hotline to new regions</li> </ul>	<p>Roll out to India and Vietnam, India Completed, Vietnam not commenced</p>	<p>Complete roll out to Vietnam</p>

## EFFECTIVENESS OF OUR ACTIONS

At City Chic Collective, we are committed to seeking to establish a transparent supply chain where we are proactive in our attempt to find and prevent modern slavery and we seek to partner with factories that are aligned with this goal. We recognise we are, however, removed and several layers away from knowing who the workers are in deeper tiers of the supply chain, which we consider at higher risks for modern slavery.

With an evolving supply chain that operates across multiple regions, we seek to assess the risks associated with any new country/region and we try to look for triggers that can alert us to potential modern slavery risks. We monitor key items on an ongoing basis as we seek to continue to embed (and improve) frameworks we have developed, with the aim to be effective in our actions:

ITEM	ACTIONS/PROCESS	MEASURE
Vendor Onboarding	<ul style="list-style-type: none"> <li>+ All Tier 1 vendors signed up to CCX ethical trade pack</li> <li>+ Building a road map with the factory to embed all our ethical trade policies</li> </ul>	All Tier 1 factories signed up to our Ethical Trade Policies and Code of Conduct
Transparency & Mapping	<ul style="list-style-type: none"> <li>+ All vendors to disclose all Tier 1 and Tier 2 sites used</li> </ul>	<p>All Tier 1 and Tier 2 Factory Lists disclosed and published and updated every 6 months.</p> <p>Mapping for tiers beyond Tier 2 underway</p>
Social Audits	<ul style="list-style-type: none"> <li>+ Conducted by our appointed 3rd Party Auditor - Qima</li> <li>+ Assessing a valid social audit already in place (audit equivalency accepted from certified bodies)</li> <li>+ Develop program for Living wage focussed audits</li> </ul>	<p>Valid audit or social audit accreditation in place for all Tier 1 suppliers</p> <p>Corrective actions remediated within specified Corrective Action Plan (CAP) timeline.</p>

ITEM	ACTIONS/PROCESS	MEASURE
Cotton Risks	<ul style="list-style-type: none"> <li>+ Enhanced ban on certain cotton regions</li> <li>+ Vendor pack on responsible cotton sourcing implemented.</li> <li>+ CCX signed cotton ban pledge with the Responsible Sourcing Network</li> <li>+ Implemented a cotton chain of custody process in place.</li> </ul>	<p>Vendors signed declarations in place.</p> <p>Engaged 3rd party to test cotton origins (completed pilot)</p> <p>Corrective action and remediation completed in timely manner.</p> <p>Chain of Custody includes transaction certificates and evidence between all steps</p>
Worker voice tools	<ul style="list-style-type: none"> <li>+ Worker surveys conducted to gain feedback on key areas and triggers to help provide us feedback direct from factory workers.</li> <li>+ Roll out worker survey to regions outside of China</li> </ul>	<p>Worker survey scorecard for:</p> <ul style="list-style-type: none"> <li>✓ Modern Day Slavery</li> <li>✓ Labour Practices</li> <li>✓ Health &amp; Safety</li> <li>✓ Worker Satisfaction</li> </ul> <p>Implemented survey in Bangladesh.</p>
Training & Communication	<ul style="list-style-type: none"> <li>+ Factory worker training - worker voice, worker empowerment and CCX grievance mechanism</li> </ul>	<p>Tier 1 factories in China publishing worker hotline details in public areas of the factory.</p> <p>Flyers and training session completed on 'worker voice' by CCX representative</p>
Covid 19 impacts	<ul style="list-style-type: none"> <li>+ Monitor and audit factory COVID 19 impacts</li> </ul>	<p>Roll out Factory self-assessment surveys completed.</p>

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## CONSULTATION & APPROVAL

In preparing our fourth Modern Slavery Act Statement we have engaged with vendors, industry colleagues, NGO's and government to help us understand the definition of, and risks associated with, modern slavery in particular in the context of our business and operations. We have participated in conferences and webinars both locally and internationally to build our knowledge and to seek to continuously improve our plans and processes designed to identify and seek to mitigate modern slavery in the supply chain.

Regardless of the City Chic brand, region or group entity that is engaged in the procurement of product, decisions relevant to our supply chain are made by CCX and the sourcing team based in Sydney and policies and procedures relevant to modern slavery apply consistently to the entire City Chic group.

City Chic Collective's FY23 Modern Slavery Statement (for the 52 weeks to 2nd July 2023) was prepared by the CCX Ethical Sourcing Team and has been approved by the CCX Board of Directors

A handwritten signature in black ink, appearing to be 'PR', with a long horizontal stroke extending to the right.

Phil Ryan  
Managing Director & CEO





