



Modern Slavery Policy

DEFINING MODERN SLAVERY:

Modern slavery is a term used to encompass human trafficking, slavery, servitude, forced and compulsory labor, bonded labor and some forms of child labor. Victims are coerced, deceived, threatened or abused into providing work or services without any real possibility to refuse or remove themselves from their situation. In addition to the above, human trafficking can also include an act of transportation, transfer, harboring or receipt of persons (cross border or internal). Modern slavery is a crime and a grave violation of fundamental human rights.

DEFINING FORCED LABOR

MadaLuxe Group (MadaLuxe) considers any work for which a person has not offered themselves voluntarily (“involuntary labor”) and which is performed under the menace of any penalty (concept of “coercion”) applied by an employer or a third party to the worker to be forced labor. Coercion may take place during the worker’s recruitment process to force them to accept the job or, once the person is working, to force them to do tasks which were not part of what was agreed at the time of recruitment or to prevent them from leaving the job. Forced labor is not characterized by the nature of the work performed, but rather by the relationship between the worker and their employer, supervisor or other persons in control.

Forced labor can be identified by the International Labor Organization’s (ILO) Forced Labor Indicators, included below. Suppliers are expected to reference the ILO Guidelines to Estimate Forced Labor of Adults and Children to understand how these indicators are used to identify forced labor. Suppliers must also have processes in place to identify indicators of forced labor in their operations.

ILO Indicators of Forced Labor:

- Abuse of vulnerability
- Deception
- Restriction of movement
- Isolation
- Physical and sexual violence
- Intimidation and threats
- Retention of identity documents
- Withholding of wages
- Debt bondage
- Abusive working and living conditions
- Excessive overtime

PREVENTING HUMAN TRAFFICKING & SLAVERY IN OUR SUPPLY CHAIN

Human trafficking is a form of slavery that can include forced labor, debt bondage and sex trafficking. An egregious violation of human rights, human trafficking and slavery exist in every country with over 27 million victims worldwide. It is often invisible for people who do not look carefully.



Though we have a strong human rights record and no evidence of human trafficking in our supply chain, we were galvanized into addressing this issue more deeply when, on September 30, 2010, the State of California signed the California Transparency in Supply Chain Act (SB657) requiring companies with annual sales of \$100 million or more that do business in California to disclose their effort in eradicating human trafficking and slavery from their supply chains. Similar antitrafficking laws are in progress nationally.

We see this as a positive trend propelling companies towards action and transparency. Free the Slaves, the largest antislavery organization in the US, believes that it is possible to end slavery in twenty-five years. To accomplish this, consumers must be engaged and brands must exert long-term effort and continuous attention.

MADALUXE'S POLICY ON FORCED LABOR

Upholding human rights is a priority at MadaLuxe. Our people are the foundation of who we are as a company and respecting human rights is part of how we serve each other every day. We are committed to upholding human rights throughout our operations and expect our suppliers to do the same. Our policy prohibits forced labor and human trafficking in all of its forms in our supply chain. MadaLuxe accepts its responsibility to implement sufficient systems and controls to safeguard against any form of modern slavery and to protect the rights of workers and recognize this is an ongoing journey. To ensure:

Fees and Expenses:

- Suppliers must not charge workers any recruitment fees or other related costs to secure their employment. If workers have paid such fees, Suppliers must reimburse workers for the fees. Suppliers must not charge workers for or have wages deducted for living expenses, such as food, housing, transportation, or equipment unless they are explicitly included in their employment contract. Recruitment fees and related costs are defined by the ILO's Definition of Recruitment Fees and Related Costs.

Freedom of Movement:

- Suppliers must allow workers to enter and leave work facilities at will, to move freely within their workspace, and must not physically confine workers.
- Suppliers must give workers access to drinking water and toilet facilities.
- Suppliers must not require workers to live in employer-provided or arranged residences. If voluntary employer-provided housing is available for workers, workers may not be subject to curfews.
- Suppliers must allow workers, including migrant workers, to return to their homes (including home countries) during annual or personal leave without paying any form of deposit or being threatened with penalties or termination.
- Suppliers must not prevent or discourage workers from contacting their country's Embassy or Consulate.



Employment Contracts:

- Suppliers must give workers an employment contract that states all terms and conditions of the worker's employment, including wages, benefits, scope of work, working hours, location of work, living conditions and associated costs, and work-related hazards.
- Workers must voluntarily agree to their employment contract prior to starting employment. Once agreed to, the terms or conditions of a worker's employment may not be unilaterally changed to provide less favorable employment terms than what was agreed upon.
- Suppliers must provide migrant workers with their employment contracts prior to the worker's departure from their country of origin.
- Suppliers must provide workers' employment contracts in a language the worker understands. If a worker cannot read, Suppliers must explain the workers employment contract verbally to them.
- Suppliers must allow workers to resign or terminate their employment contract subject to the terms of the employment contract or local law.

Surveillance:

- Suppliers must not use surveillance to control worker freedom of movement or to intimidate workers.
- Suppliers must not use worker data to facilitate conditions of involuntary labor or menace of penalty.

Access to Worker Documents:

- Suppliers must not retain, confiscate, destroy, or withhold any original personal identification and immigration documents (e.g., passport, national ID, school certificate, work permit, etc.). Workers must have unrestricted and immediate access to these documents.

Non-retaliation:

- Suppliers must not retaliate against workers for raising concerns or providing information regarding employment practices that could indicate forced labor.

REPORTING AND REMEDIATING VIOLATIONS

When we evaluate potential new suppliers, we will not place purchase orders if we find forced labor. If we find forced labor in one of our existing partners' facilities, that facility is subject to our escalation policy, including a remediation plan to demonstrate commitment to eradicating the practice at issue. In all cases, where a supplier is a part of MadaLuxe's supply chain, incidences or conditions contributing to slavery or human trafficking are grounds to end business relations if not eliminated.

We fully support the efforts of a growing number of anti-slavery activist groups, nongovernmental organizations (NGO's), and our state and federal government to shed light on human trafficking, slavery, and child labor in the supply chain. We are hopeful that these and other human rights concerns will continue to receive attention and analysis in the public and private spheres.



California Transparency in Supply Chains Act (“the Act”)

Cal. Civ. Code § 1714.43 (SB 657) - California Transparency in Supply Chains Act (“the Act”)

Beginning January 1, 2012, the Act “require(s) all retail sellers and manufacturers doing business in the state to disclose their efforts to eradicate slavery and human trafficking from their direct supply for tangible goods offered for sale.” The Act helps consumers make informed purchasing decisions by providing them with information on the efforts that companies are taking to ensure their products are not made under slavery or trafficking conditions. The Act applies to all retailers or manufacturers doing business in the state of California with greater than \$100 million in annual worldwide gross receipts, and affects thousands of businesses with operations in the state. It is important to note that the act does not regulate a company’s labor practices, but instead requires businesses to disclose practices in five distinct areas: Verification,

Audit, Certification, Internal Accountability and Training. MadaLuxe, as a California business, is required to disclose our efforts. We are committed to sharing the practices we use within our own supply chain to detect, mitigate, and remediate forced labor and human trafficking in our business operations.

UK Modern Slavery Act 2015

This statement also serves to fulfill the requirements of the UK Modern Slavery Act 2015. Similar to the California Transparency in Supply Chains Act, “One key purpose of this measure is to prevent modern slavery in organizations and their supply chains. A means to achieve this is to increase transparency by ensuring the public, consumers, employees, and investors know what steps an organization is taking to tackle modern slavery.” Organizations, therefore, are required to make this information known through a public statement.

How Can You Take Action?

As a consumer, you can help prevent human trafficking and slavery worldwide by supporting companies who responsibly manage their supply chains. Everyone has a role to play to end this egregious human rights violation—governments, businesses, international organizations, and consumers.

Human trafficking and slavery are often invisible to people who do not look carefully. If you think you might have known or seen a victim of human trafficking, there are actions you could take to help him or her. Please click here (<https://humantraffickinghotline.org/>) to learn how you could help identify and assist victims of human trafficking.



RESOURCES:

Information on the CA Transparency in Supply Chains Act

[California Transparency in Supply Chains Act – State of California Department of Justice](#)

[California Transparency in Supply Chains Act – Law Language](#)

[The California Transparency in Supply Chains Act – A Resource Guide](#)

Information and Statistics on Human Trafficking - General

[International Labor Organization \(ILO\) Combating Forced Labor Employer's Handbook](#)

[ILO Global Business Network](#)

[Convention 29: Forced Labour Convention, 1930](#)

[Convention 105: Abolition of Forced Labour Convention, 1957](#)

[ILO Survey Guidelines to Estimate Forced Labor of Adults and Children](#)

[United Nations Office on Drugs and Crime](#)

[Know the Chain](#)

[The Global Slavery Index](#)

U.S. Customs and Border Protection

[Forced Labor](#)

[Reasonable Care Guide](#)

[US State Department, Office to Monitor and Combat Trafficking in Persons, Trafficking in Persons Report](#)

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We welcome your feedback on this statement. Please email us at: Sustainability@MadaLuxe.com.