



## Modern Slavery Policy and Statement

### 1. Introduction

The Modern Slavery Act 2015 (UK parliament 2015) is designed to combat slavery and consolidate previous offences relating to trafficking and slavery.

Modern slavery is a term used when an individual is exploited by others, for personal or commercial gain. This includes the coercion, forcing or tricking of individuals resulting in their loss of freedom, and covers slavery-like practices such as debt bondage, sale or exploitation of children, human trafficking, forced labour or marriage,

Fifty million people were living in modern slavery in 2021, according to the latest Global Estimates of Modern Slavery from the International Labour Organisation (ILO). Of these people, 28 million were in forced labour and 22 million were trapped in forced marriage. The number of people in modern slavery has risen significantly in the last five years. 10 million more people were in modern slavery in 2021 compared to 2016 global estimates. Women and children remain disproportionately vulnerable.

The Mondottica group (“Mondottica”, “we”, “us”) recognises the Modern Slavery Act 2015 and that we have a responsibility to prevent slavery and take actions to understand all potential modern slavery risks related to our business operations and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in our own business and our supply chains.

Mondottica UK Ltd’s membership of the UN Global Compact reinforces our commitment and we recognise and apply the declaration and standards from:

- The UN Universal Declaration of Human Rights
- The International Labour Organisation (ILO) Declaration on Fundamental principles and Rights at work
- The UN Guiding Principles on Business and Human Rights

The Mondottica Modern Slavery policy and statement is issued to all suppliers and any other relevant partners along with our Code of Conduct which sets out our detailed expectations, and we expect that all parties commit to our expectations and take preventative action to support our zero-tolerance approach

Our direct employees, staff and contractors are expected to have a zero-tolerance approach to modern slavery, as further supported and detailed in our code of ethics. These groups are expected to undergo the training we provide and report as soon as possible if they have any concerns or suspicions relating to modern slavery.

In any event, if any individual has concerns about the treatment of workers more generally in our supply chain or any of our operations you are encouraged to report your concerns anonymously ( as per our whistleblowing policy) through our confidential e-mail to [Raise a concern](#)

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## 2. Our structure and supply chains

Mondottica design and distribute optical and sunglass frames, on behalf of Brand Partners, and work with 3<sup>rd</sup> party partners and suppliers to manufacture our product range. Our supply chain involves product development, product manufacture and quality control, including the transportation of product globally.

### We currently operate in the following countries:

Mondottica's holding company is registered in Hong Kong, with Group management and administration activities based in the UK. Design, Brand relationships, PR, Graphics, Distribution, Customer Service, Sales, Finance, IT, Supply Chain and Human Resources are all managed from the UK headquarters.

Sales and sales support activities are carried out through a global network of subsidiary companies, joint ventures and dedicated Sales managers and agents. Mondottica has a presence in the UK, US, Hong Kong, France, Spain, Germany, India, Australia and Japan, the Nordics, Serbia, Latin America and the Middle East.

Product Development, Quality Assurance and manufacturing & production activities are managed collaboratively from the UK in operation with 3<sup>rd</sup> party partners and suppliers throughout Asia and Europe, and we source from factories in China and Cambodia.

## 3. Due diligence process

In working with our partner organisation, the ICare group, with regard to Product development and Quality assurance, we are able to align our expectations, communicate our standards and deliver the following:

- The selection of suppliers involves an assessment of their integrity and reputation.
- We require all new suppliers to agree and commit to our Code of conduct and carry out due diligence based on geographical location, cultural custom and practice and political sensitivity.
- All suppliers are visited weekly by Quality Control employees, to review both product and production lines and methods, producing a weekly report and therefore limiting un-fit practices.
- All suppliers must pass and maintain third party audited international social and environmental certifications for example: Smeta, Bsci, Wrap
- Where necessary we carry out additional supplier audits
- Our Code of Conduct is reviewed annually to ensure we progress our standards, and that the standards of our Brand partners are incorporated and delivered. The Code of conduct is re-issued to all suppliers after such updates.
- A route for anonymous reporting through our Whistleblowing Policy and reporting mechanism to ensure a safe means of reporting concerns, grievances or misconduct.

Beyond our collaboration with our partner organisation, our business's purchasing practices which influence supply chain conditions are managed from the UK and reviewed with our partners. They are designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage, or the provision of products by an unrealistic deadline.

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Our commitment to develop our due diligence process in the next 12 months include:

- Assessment of our supply chain through our enhanced due diligence process against the ILO indicators as shown in the risk assessment process below.
- Mapping of subcontracting and/or labour agency workers throughout our supply chain and our distribution network to increase visibility and monitoring of potentially vulnerable groups, enabling sharing of subcontractor details with us directly to carry out additional due diligence.

#### 4. Risk Assessment

There are eleven indicators identified by the ILO for modern slavery and forced labour:

- Abuse of workers' vulnerability (immigrant status, language barriers, existing debts
- Deception (false promises)
- Restriction of movement (surveillance, no exit visa, workers locked up)
- Isolation of workers (not allowed to interact with local community)
- Physical or sexual violence
- Intimidation or threats
- Retention of ID documents (passport or other ID)
- Withholding of wages (delay of payments, lack of control on bank accounts)
- Debt bondage (employer created debt e.g., for a loan, excessive interest)
- Abusive living and working conditions.
- Excessive overtime (related to Code of labour practice for local country)

Mondottica expects all suppliers, distributors and agents to take responsibility to ensure that the eleven indicators above are absent from their operations and declare their commitment to our expectations set out in our code of conduct, and to carry out a due diligence process to our standards.

We will take steps to analyse due diligence assessments and take action against those that do not demonstrate commitment to our code, fail to provide due diligence assessments, or who are in breach of it.

Whilst our risk assessments and employment practices have determined a low risk of slavery or human trafficking within our direct operations, there is a potential increased risk within our indirect supply chain due to lower monitoring and visibility.

#### 5. Managing risk:

##### 5.1 Relevant policies:

We operate the following policies that describe our approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

**Whistleblowing policy.** We encourage all our workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of our company. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.

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**Code of Ethics:** Our code makes clear to all (Employees, Consultants, Suppliers, Partners or any other individual or group representing our Company) the actions and behaviour expected of them when representing Mondottica. We strive to maintain the highest standards of conduct and ethical behaviour when operating abroad and managing our supply chain.

**Code of conduct:** We are committed to ensuring that our suppliers, distributors and agents adhere to the highest standards of ethics. This code details our expectations to prevent any of the 11 ILO indicators of slavery or trafficking.

### 5.2 Training and capacity building

We provide regular training and awareness to all employed and contracted staff on:

- the basic principles of the Modern Slavery Act 2015.
- how employers can identify and prevent slavery and human trafficking.
- what employees can do to flag up potential slavery or human trafficking issues to the relevant parties within Mondottica
- what external help is available, for example through the Modern Slavery Helpline.
- assess the risk of slavery and human trafficking in relation to various aspects of the business where appropriate.
- how to identify the signs of slavery and human trafficking.
- what initial steps should be taken if slavery or human trafficking is suspected.
- how to escalate potential slavery or human trafficking issues to the relevant parties within our company.

In addition, we expect from 2023 onwards all our suppliers and distributors to demonstrate through their due diligence process that they have carried out regular training sessions with their staff to ensure they are aware of the risks or modern slavery and that they know how to respond if they suspect there to be an incident of modern slavery.

### 5.3 Auditing and monitoring

We ensure that all current suppliers re-commit to the code of conduct on an annual basis and review the audit reports from their external certification providers.

Any breaches in our supplier code of conduct will be investigated, with the opportunity of corrective action given, although failure to remedy may ultimately lead to the removal from our supply chain.

From 2023 we will be assessing the findings from the responses to the due diligence questionnaire from all our suppliers and distributors, to ascertain the need for further audit or inspection.

## 6 Compliance

**Employees and contractors:** You must ensure that you read, understand and comply with the requirements set out in our Ethical Code, undergo training and raise concerns you may have.

**Suppliers, Distributors, agents and other partners:** You are expected to commit to our code of conduct upon working with us and recommit and adhere to our code of

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conduct and carry out due diligence and risk assessments annually, which includes ensuring your subcontractors and suppliers do the same. You are responsible for having an effective remediation process for any concerns and you will communicate any high-risk situation within your operations or those of your supply chain immediately and share the remedies you have implemented.

This statement was approved on the date shown by the following directors, who review and update it annually.

Director's signature:



Anthony Pessok - CEO

Date: 22<sup>nd</sup> May 2023

Director's Signature



Paul Sultan - COO

Date: 22<sup>nd</sup> May 2023

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