

Modern Slavery Statement

2023



Letter from our Founder



Protecting and respecting human rights in our operations and supply chain has been a strategic priority for the business ever since Matrix was founded in 1996, and it is something that we feel passionately about. We have a responsibility to our employees, suppliers, and workers in our value chain and acknowledge the basic rights and freedoms that are inherent to all human beings regardless of race, sex, nationality, ethnicity, language, religion, or any other status.

I am delighted to share with you all our 2023 Modern Slavery Statement, which details our approach and progress to ethical practices and social responsibility in an open and transparent way. This demonstrates our ongoing commitment to positively impact the communities in which we operate, and to uphold human rights, tackling and eradicating any occurrences of modern slavery within our operations. As a B Corp, we are committed to working collaboratively to use business as a force for good and report regularly on our impact.

We fully support the legislation put in place for the prevention of modern slavery and human trafficking, including the UK Transparency in Supply Chains Provision (Section 54) of the Modern Slavery Act (2015). Our annual Modern Slavery Statement addresses the requirements set out in the Act, and outlines the steps taken by Matrix in the financial year ending 31st December 2023 to prevent modern slavery and human trafficking.

We acknowledge the importance of this issue and are aware that modern slavery is too widespread and complex for any business to tackle alone. This is a long-term issue with no quick solutions. We will work hard to ensure that all parts of our business work together to uphold our commitments, which will protect our teams and the people working in our supply chain around the world.

We look forward to sharing our ongoing progress with you.

Charlie Bradshaw
Founder

What is Modern Slavery?

Modern slavery is a growing global problem that directly affects over 50 million people today. It refers to situations of exploitation in which a person possesses or controls another person in such a way as to significantly deprive that person of their individual liberty, with the intention of exploiting that person through their use, profit, transfer or disposal.

Modern slavery is an overarching term used to describe its various forms:

Slavery

A situation where a person exercises (perceived) power of ownership over another person.

Human Trafficking

A process of bringing a person into a situation of exploitation through a series of actions, including deceptive recruitment and coercion.

Forced and Compulsory Labour

Any work or services which people are not doing voluntarily, and which is exacted under a threat of some form of punishment.

Bonded Labour

Any work or services demanded as a means of repayment of a debt or a loan.



Our Business

We are a vertically integrated personal care business, passionate about creating amazing brands and products, with global operational capabilities and offices in UK, Hong Kong, China and Dubai.

Our values are everything.

And everything we do is with an ongoing commitment to ethical trade and sustainability.

 **drive**

curiosity


 **ownership**

relationships


matrix: Brands

We are creating a diverse portfolio of meaningful brands built upon innovative formulations, visionary co-founders and/or pioneering technologies.

matrix: Travel

We are passionate about delivering customer-led solutions, aimed at enhancing guest and passenger experience, driving operational efficiency and reducing environmental impact.

matrix: Exclusives

We are one of the world's leading suppliers of high impact private label products and brands. Our expertise is multi-category and high efficacy.

Manufacturing

We own a full-service personal care, Good Manufacturing Practice (GMP) accredited manufacturing facility, complete with a research and design laboratory in the UK.

2023 in numbers...

Our Business



94.7 B Corp score

10 point increase

40m
turnover

6
private label &
exclusive brands

6
airline
partnerships

98 employees working in **3** countries

3 co-founded brands, sold in **18** countries

9,520 people working in our tier 1 supply chain in **4** countries

Our Social Responsibility

79 days spent visiting our suppliers' factories conducting audits, delivering training sessions, following up on corrective action plans, and supporting with ongoing improvements.

100% of tier 1 suppliers audited

400 training hours delivered to factory workers by Matrix's Social Responsibility team engaging with over...

9,000 management and production staff

11 years of ETI membership

100% of our suppliers have signed our supplier Code of Conduct

Key Developments in 2023

2023 has seen the business grow and flourish post-Covid, and we're **proud** to report some of our achievements and key areas of progress.



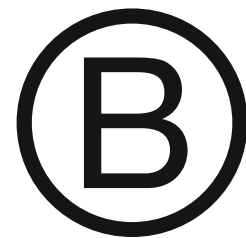
Expanding Our Operations

Earlier this year we were delighted to announce that we have expanded our manufacturing capabilities in the UK by acquiring Viaderm, a leading beauty and personal care manufacturer with **over 35 years' experience**, providing high-quality, bespoke products for UK and international clients. Bringing complementary skills and services to the Matrix business model and aligned with our values around People, Planet and Product, Viaderm now allows for more agility and control through vertical integration of our supply chain.

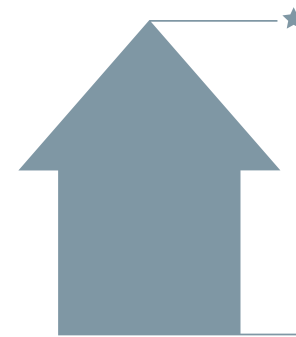
Rebuilding our teams and ESG capability

The Covid-19 pandemic was an incredibly challenging period for our business. Whilst we were able to uphold our commitment to responsible sourcing by ensuring a small team were able to continue their work in China throughout the pandemic, 2023 has been the year of **team growth**. We were delighted to welcome back a few old faces and expand our team further, and to **rebuild our ESG** expertise through our new Senior ESG Manager role.

Certified



Corporation



10

point increase

Recertifying as B Corp

This year we were proud to recertify as B Corp for another three years with a 10-point increase in our score. This demonstrates our continued efforts to give equal consideration to our social and environmental impact as financial returns. This year we also introduced some of our key manufacturing partners to the B Corp community, supporting them on their own journey to certification by guiding them through the Impact Assessment process, and helping them create a plan for achieving their sustainability goals.



Addressing potential risks in logistics

This year, we engaged with the International Transport Workers Federation (ITF) to raise awareness of the often-overlooked working conditions of seafarers in our supply chain. Through this partnership we have been able to conduct a full Maritime Rights Check, identifying any vessels that we have used that do not have appropriate agreements in place to protect the human rights of workers onboard. This has opened up the dialogue with our freight forwarder to address and put in place the necessary processes to avoid these risks in the future.

Increasing our training outreach

In 2023 our Social Responsibility team delivered **over 400 hours of training to over 9,000** of our suppliers' management and factory workers in China focusing on topics such as grievance mechanisms, fire and chemical safety, child labour prevention, young worker protection and social compliance auditing. The UK and China teams also provided over 100 hours of B Corp, environmental and corporate social responsibility training to Matrix staff.



Defining our Impact Strategy

This year we partnered with sustainability consultants B·ABLE to support us in defining our Impact Strategy for 2024 and beyond. This framework ensures we focus our efforts on where we can make the most impact, reaffirming our commitment to support the global strategy through mapping to the United Nations Sustainable Development Goals (SDGs), whilst also providing structure to allow us to effectively track our performance.



Being recognised as a top employer

In May, we were thrilled to find out that we had made it into the Sunday Times Top 100 Places to Work list. We have always taken pride in creating a **positive workplace** that stays true to our **values** and puts people at the centre of all we do, so it was amazing to be recognised for our efforts.

Our Commitment

As a socially responsible business, Matrix is aware of the role that we can play in helping to avoid the kind of working conditions that could encourage or enable labour rights abuses in our supply chain. As long-standing members of the Ethical Trading Initiative (ETI), we are committed to work collaboratively in protecting and respecting all human rights in our supply chains by adhering to the [ETI Base Code](#) together with the [International Labour Organisation \(ILO\) conventions](#) upon which the code is based.

We are driven by our purpose to passionately improve the sustainability of our products, the life of every worker, the efficiency of every facility and the experience of everyone in our supply chain through the following set of practices:

Partnerships

We are firm believers in the power of partnerships. We work together with all our stakeholders to build long-term, collaborative relationships. We recognise the importance of respecting our partners through mutually agreed responsible purchasing practices.

Environmental Sustainability

We commit to doing our best to reduce our environmental impact by responsibly designing, sourcing and manufacturing our products to help preserve our natural environment and use resources efficiently.

Supply Chain Transparency

We are focused on mapping our supply chain beyond tier 1, to identify any human rights breaches, and gain better visibility of salient issues, ensuring we are truly protecting all workers within our value chain.

Social Responsibility

We aim to support our factories to create a positive social impact. Our 'beyond' audit approach is designed to work collaboratively and empower our suppliers to follow the highest possible standards of ethical practices.

Continuous Improvement

We commit to continuous evaluation and improvement of our ethical practices through training, investment in technology and collaboration with our suppliers, peers and NGOs with the guidance of the ETI.

Our Supplier Code of Conduct

We only work with product suppliers who share our commitment to protect and respect all human rights. These suppliers are required to adhere to our **Ethical Code of Conduct** which includes a firm commitment that all goods shall be manufactured in accordance with the ETI Base Code and that suppliers shall follow the basic principles of the Code at all times:

- Suppliers must not use forced, bonded or involuntary labour and workers must not be obliged to surrender identity papers or pay a financial deposit as a condition of work.
- Workers must not be subject to physical or verbal abuse, threats or intimidation.
- Workers must not be required to work excessive hours and all workers should enjoy sufficient rest periods.
- Suppliers must not employ child labour and use workers under the age of 15, or the minimum legal working age in the country in question, if higher than 15.
- Suppliers must provide safe and hygienic working conditions for all workers with sufficient and accessible fire exits from all production, warehouse and dormitory buildings. Workers must also be provided with clean and hygienic washroom and canteen facilities and have regular access to drinking water.
- Dormitories and living accommodation must include sufficient fire alarm systems and fire exits and must not be adjoined in any way to production and storage areas.
- Workers' must not be required to operate dangerous machinery and suitable Personal Protective Equipment should be provided at all times. The structure and layout of all buildings should be compliant with local regulations and designed to avoid any risk to workers' life or limb and all hazardous chemicals should be stored in appropriate conditions with suitable labels and secondary containers to prevent spillage.
- Suppliers must pay living wages that are at least compliant with local minimum wage regulations and sufficient to meet basic needs.
- Suppliers must maintain accurate employment records for all employees, including current and resigned temporary and permanent workers, and be transparent and cooperative during the inspection of wages and working hours' records.
- Bribery, corruption and similar unethical business practices are not tolerated by Matrix and Suppliers must not engage in such activities.

It is unacceptable for our suppliers to outsource production of our orders to external manufacturing sites as they are not able to guarantee the required standards laid out in our Ethical Code of Conduct. However, on the rare occasion that extreme business circumstances create a short-term requirement for outsourcing to take place, the supplier must sign a copy of our Outsourcing Declaration to confirm our responsible conditions for outsourcing will be met.

We are also working on expanding the coverage of our Supplier Code of Conduct, and over time will move towards requiring all suppliers to commit to the Code, and monitoring compliance.

Our Internal Policies and Initiatives

1

All Matrix staff take up their posts freely and ID checks are undertaken by the People team to validate the identify and status of each employee before work commences. Every member of staff receives a contract of employment, outlining the expectations of their role along with information on working hours, holiday entitlement, benefits and termination or resignation processes etc.

2

Our **Equal Opportunities Policy** promotes equality, harmony and respect amongst individuals. We recently created the Matrix Belonging Committee, a cross-functional group working together to ensure Matrix continues to be a welcoming and supportive place to work, where everyone feels valued, respected and empowered.

3

Matrix staff are expected to abide by our company rules, procedures and policies which are documented in the **Employee Handbook**. This includes comprehensive equal opportunities, disciplinary and grievance procedures.

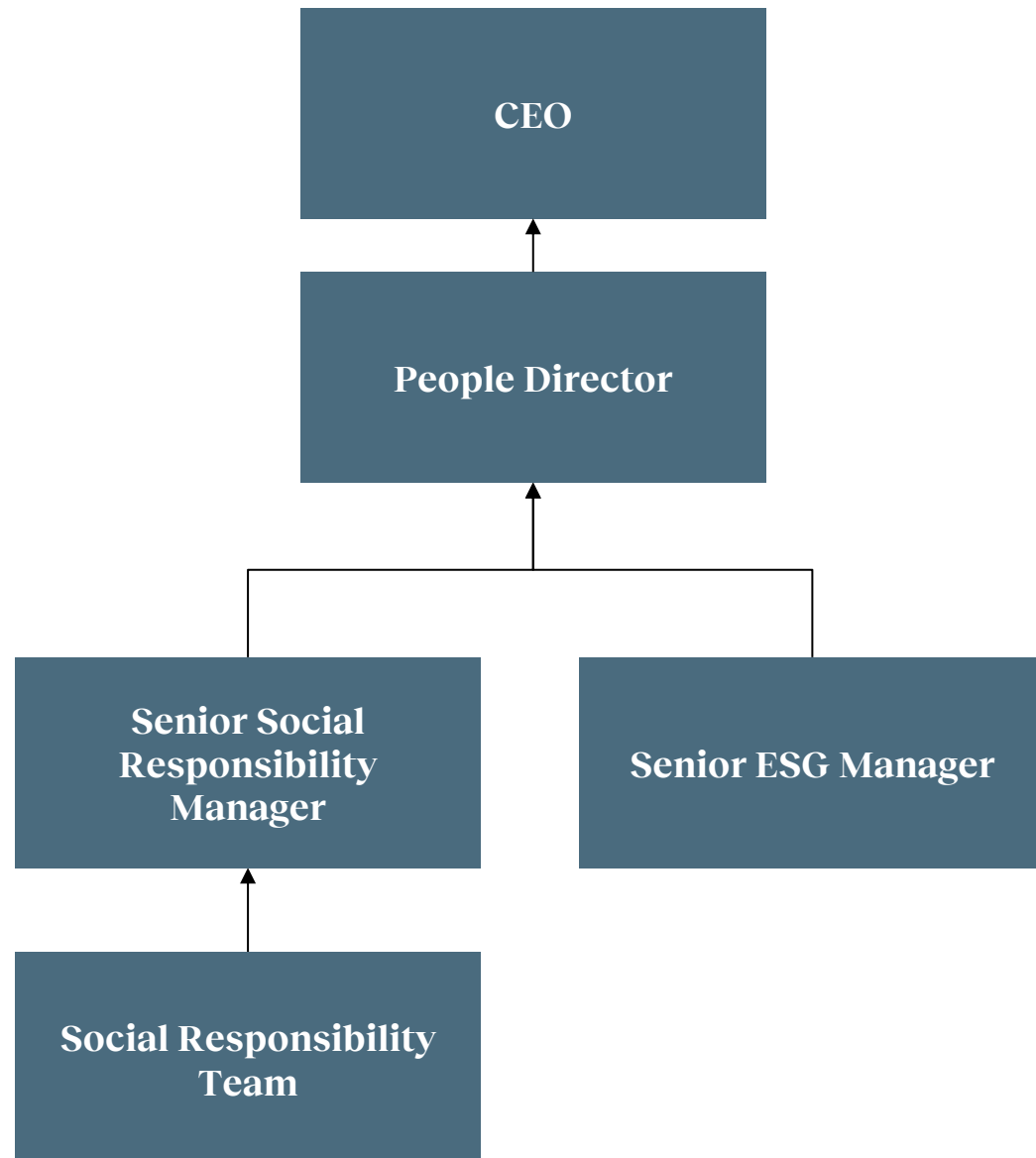
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Our **Grievance Policy** ensures that all employees are treated fairly and that any concerns related to work, the working environment or working relationships are resolved satisfactorily. We have a virtual Suggestion Box for feedback, ideas and suggestions, and a Whistleblowing Tool, providing a safe space for employees to speak up if they witness any incidents or behaviours that are not in line with our values or expectations.

5

We offer a number of wellbeing initiatives designed to look after employees' mental health including MyndUp, an online tool offering access to a range of mental health services such as counselling, therapy, and coaching; 'You Time' dedicated time away from the office to focus on our own wellbeing, and a social calendar of inclusive events to enjoy time with colleagues outside of the day-to-day work environment.

Our Modern Slavery Governance



Our dedicated Social Responsibility and ESG teams are responsible for modern slavery, human and labour rights in our supply chain, with all our ethical trade and due diligence policies endorsed by the Executive Leadership Team (ELT). Our People team plays a critical role in developing and implementing our people and governance related policies and procedures, and leads our wellbeing programme.

A permanent presence on the ground in our key sourcing regions of China and the UK enables us to establish open and transparent relationships with all suppliers and allows us to react quickly to provide swift remediation and support with resolution of issues.

The Social Responsibility team work directly with our suppliers to ensure they follow the highest possible standards of ethical and environmentally responsible practices, and to provide training and capacity building programmes. We believe that by investing in these relationships, our suppliers are better equipped to provide their workers with safe working conditions, living wages and engaging work, whilst benefitting from increased worker retention, higher productivity and a reduced environmental impact.

We hold regular meetings internally across teams, and externally with our suppliers to discuss performance metrics, priorities and issues. These are an essential forum for ensuring responsible purchasing practices are adhered to by both our teams and suppliers. In 2024, we will be evolving these further with our Product Development, Sourcing, Sales and Social Responsible teams as part of the ETI Responsible Purchasing Practices initiative to ensure that we address social and environmental impacts, as well as operational performance.

The ESG and Social Responsibility teams also provide regular updates on supply chain risks and resolution plans to the ELT, and quarterly updates to the whole business on our responsible sourcing initiatives and progress to increase awareness and engagement.

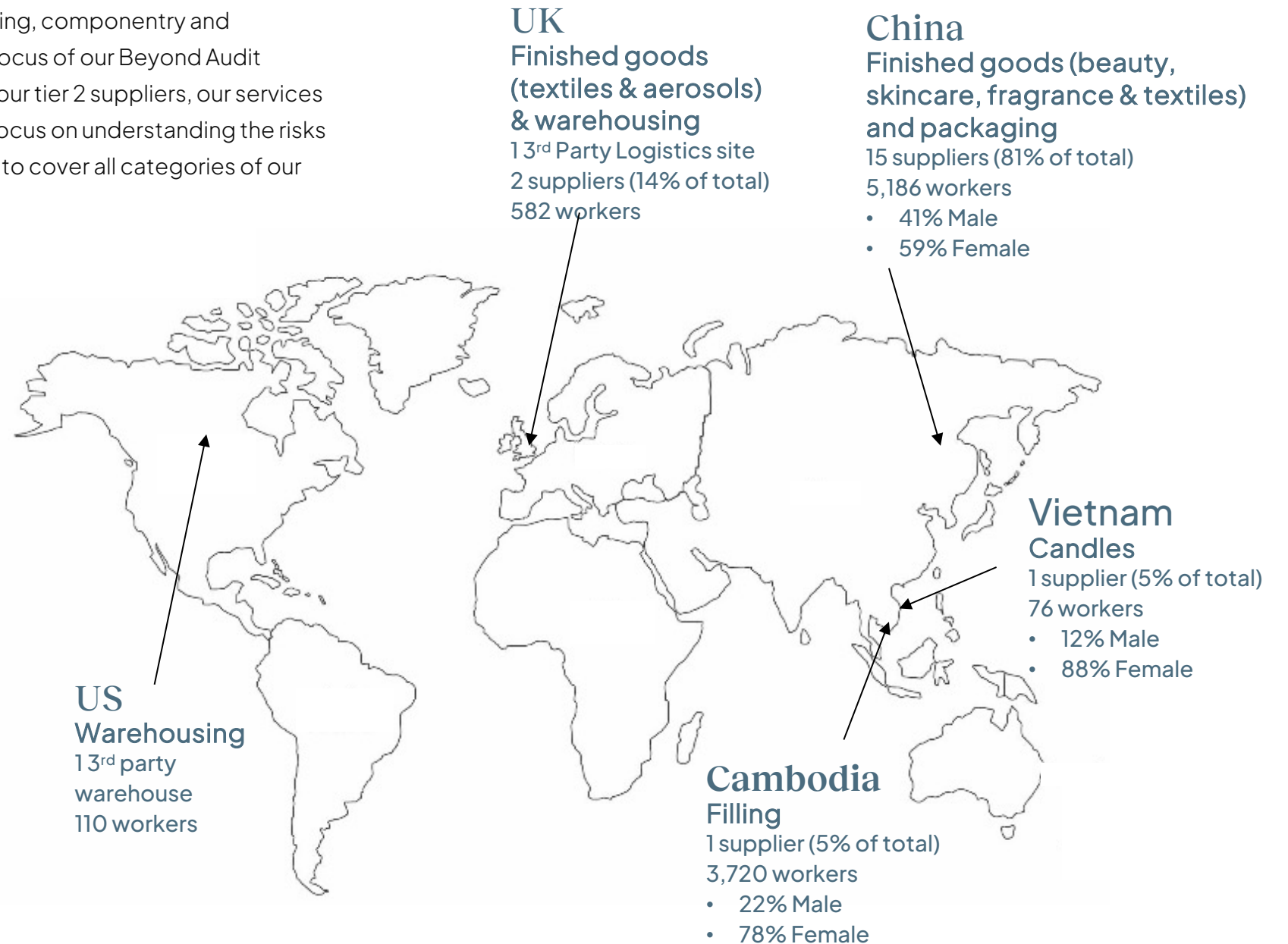
Our Supply Chain

We procure goods from 19 tier 1 suppliers, including three suppliers of packaging, componentry and materials, with the remainder comprising finished goods manufacturers. The focus of our Beyond Audit programme is currently our product manufacturers, we have not yet mapped our tier 2 suppliers, our services suppliers, or our goods not for resale suppliers. We will be placing increased focus on understanding the risks associated with these suppliers and expanding our Beyond Audit programme to cover all categories of our supply chain in the coming years, focusing on the areas of highest risk first.

Managing complex supply chains relies on building long-lasting mutually-beneficial partnerships. 81% of our suppliers are based in China, this is where our business began and we have established relationships of over 5 years with 100% of our suppliers in China, with 20% over 10 years. This helps us to maintain high levels of production quality, cooperation, and transparency.

Our tier 1 supply chain also includes two manufacturing sites in the UK, one in Vietnam, and another in Cambodia. Whilst these are newer suppliers, we are committed to strengthening these relationships and expanding our Beyond Audit programme in 2024 to further support these factories.

As part of our wider value chain, we also have partnerships with two 3rd Party Logistics providers based in the UK and US, who are pivotal in ensuring that our products arrive safely with our customers on time and in full. We are currently determining how we can best work with these providers to address modern slavery risks, starting with our engagement with the ITF on seafarer's rights.

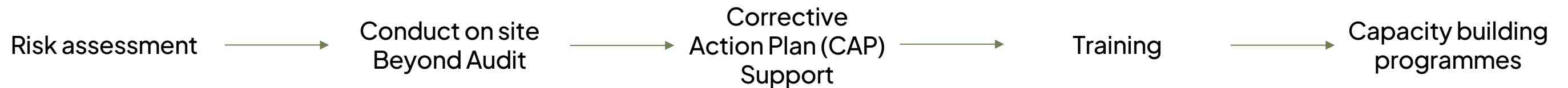


Our Beyond Audit Process

Building open and trusting relationships with our suppliers is key to the continued success of our Beyond Audit programme, which goes beyond reliance on audits alone, to working collaboratively with our suppliers to implement our robust due diligence processes. We go 'beyond' to identify risks, conduct an on-site audit, design effective remedial actions, support factories with closing out actions, and provide targeted training and capacity building programmes. We are proud of the relationships that we have developed with our suppliers, and our approach is based on providing coaching and mentoring to support them on their continuous improvement journey.

Assessment

Continuous Learning & Development



Risks Assessment

Taking a risk-based approach to due diligence is critical to ensuring that human rights are proactively and effectively addressed. We regularly risk assess our supply chain by considering the following factors:

- Country risk
- Sector and nature of work
- Information gathered from our key partners, NGOs and peers
- Existing 3rd party audit reports

Based on the findings and taking into consideration spend data, we assign each supplier with a risk-rating and create a summary report. This helps us to prioritise which factories should undergo an on-site Beyond Audit and determine each factory's training and capacity building needs.



Risks Factors in Our Supply Chain

We have identified the following as key risk factors in our product supply chain. Our 'Beyond Audit' process and wider social responsibility programme supports in mitigating these risks.




Supplier Tiers

Our larger tier 1 manufacturing sites in China have “vertical” operations and complete all major production processes on site so the risk of informal labour and sub-contracting in the upper tier of our supply chain is low. However, the risk of modern slavery practices and other labour rights issues is higher in the lower tiers of our supply chain due to a lack of visibility and leverage. We are extending our 'Beyond Audit' approach to cover our Tier 2 suppliers and go further into our supply chain, with this being a 2024 priority.



New Suppliers

When working with a new supplier there is a heightened level of risk as there is not an existing relationship between the factory and Matrix. This can make it challenging for us to obtain a complete and accurate understanding of working conditions in a factory. We manage this risk by visiting every new site before production starts to build trust and transparency from the outset including a review of records and conducting interviews with both workers and management to get a full overview of the operation and identify any potential issues upfront.



Purchasing Practices

Fast fashion purchasing practices result in irregular business levels and increase pressure on suppliers to meet unrealistic delivery deadlines and drive down prices. To mitigate this risk, we provide our core suppliers with long term supply contracts enabling them to effectively plan production and make long term investments into new machinery and labour. Through our ETI membership we are also participating in a cross-functional project that will ensure our commercial teams fully understand the implications of their decision-making on human rights in our supply chains.



Unauthorised Sub-contracting

The risk of unauthorised sub-contracting to unregulated suppliers in China has previously been brought to our attention when site visits by our Social Responsibility team highlighted the outsourcing of packaging components to lower tier suppliers. We leveraged our long-term relationship with the supplier to gain access to the lower tier suppliers and carried out initial assessments, established supportive relationships and prepared each factory for a future compliance audit. Our tier 1 suppliers are also obliged to adhere to our Outsourcing Policy, designed to ensure their suppliers also follow the ETI Base Code.



Logistics

According to the International Transport Workers Federation (ITF) shipping is a human rights blindspot in supply chains, with seafarers needing urgent attention to reduce risks to their human rights at sea. They are at higher risk of facing extreme isolation, exploitation of unfair labour competition, and problems with repatriation, which are all made harder to identify due to lack of international regulation and effective scrutiny. We have begun to engage with the ITF to perform a Rights Check of the vessels we use to gain better visibility of these issues and understand how together with our freight providers we can mitigate this risk

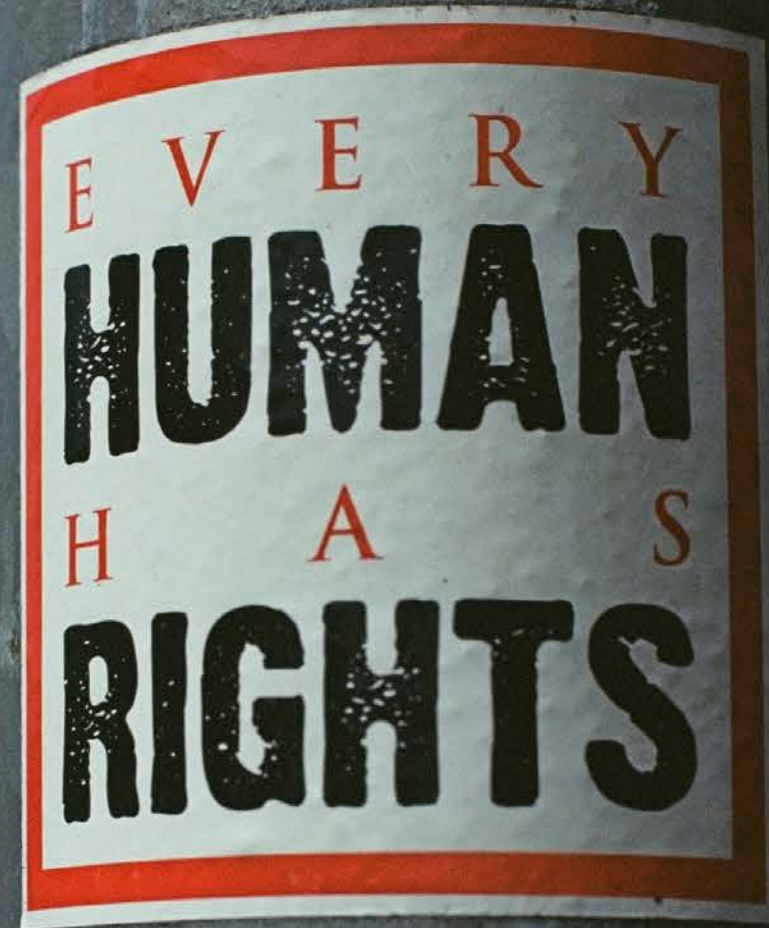


New Territories

Risks are higher in unknown sourcing territories where cultural norms are different and existing due diligence practices may not be effective. We mitigate this risk by always visiting new suppliers directly, even in new countries. It is imperative that we carry out the necessary due diligence when working with new suppliers in new territories by engaging with local NGOs and ETI to effectively understand country-specific risks.

Identified Risks by Region

Modern slavery and human rights risks vary by region, and we tailor our Beyond Audit programme to address the country-specific risks. We have identified the following key risks across our three core sourcing regions.



Vietnam and Cambodia

In a recent [report](#) published by LRQA on Global Supply Chain risks, Cambodia and Vietnam were placed in the top 5 highest risk countries, with **child labour** being the biggest cause for concern. Both countries are large exporters of textiles and garments, and audits conducted in the past year have uncovered a large rise in child labour violations.

Both of our suppliers in Cambodia and Vietnam are recent additions to our supply chain network, and during the onboarding process, no child labour violations were identified. However, we recognise the increased risk of these occurring in this region and the need to invest resources into providing additional support to both factories. With guidance from the Centre for Child Rights and Business (CRIB), we will be organising a capacity building project early in 2024 aimed at tackling and avoiding any instances of this salient issue within our operations.

China

This year, 24 audits conducted by Matrix and 3rd party auditors in 15 factories identified 121 instances of **health & safety** non-compliance, predominantly in fire safety and chemical management. Two out 121 were identified as high risk, and the rest were low - 100% were resolved within 90 days. To address this, as part of our Beyond Audit programme, our Social Responsibility team prioritised delivering specific training plans for fire safety and chemical management to the highest risk factories. We also utilised the Matrix WeChat groups to share most up to date information to all our suppliers on regulations and best practice in these areas.

Another risk area identified is related to low worker engagement and awareness of the benefits of **Social insurance**, with many missing out on support they are entitled to when migrating to a new province for work. Workers tend to participate in the newer rural insurance and cooperative medical insurance schemes in their hometowns. This year, working collaboratively with one of our key clients, we encouraged our suppliers to join our client's WeChat account which regularly shares up to date information regarding the benefits of signing up to social insurance. With the vast majority of workers having access to a smart phone, being able to share blogs, articles and interactive training modules on WeChat dramatically increases our reach and engagement with workers on important topics such as social insurance. In addition, in partnership with our client, we organised for over 1,600 workers and management from three factories to participate in training aimed at increasing awareness of workers' rights in this area.

Long working hours are as a result of labour shortages in China, with many young people choosing not to work in manufacturing, especially post-Covid. This puts a strain on current factory staff, who are required to work longer to meet increased production demand. In 2024, we will be supporting affected factories by encouraging them to implement theLO's Factory Improvement Toolset (FIT), designed to create optimal productivity whilst maintaining safe working conditions, saving both time and money.





United Kingdom

Modern slavery practices in the UK unfortunately do exist, and the logistics sector has been identified as a high-risk area due to the increased number of migrant, contract and agency workers, and 3rd party recruitment agencies. Matrix has a longstanding partnership of over 20 years with our UK warehouse and logistic provider, sharing the same values and commitments to always acting ethically and with integrity and transparency. They acknowledge that identifying potential victims of modern slavery can be a challenge because the crime can manifest itself in many different ways. However, they are conscious of their responsibility through their due diligence processes to ensure that their workers are not being exploited, are safe, and that relevant employment, health and safety and human rights laws and standards are adhered to. They use only one reputable employment agency to source labour, who also has their own Modern Slavery policy, providing training and awareness to all staff specific to recruitment businesses on how to identify and resolve concerns around modern slavery and human trafficking. All staff at the warehouse and recruitment agency are strongly encouraged to report any concerns or suspicions to their managers to ensure prompt and effective investigation.



On-site Beyond Audit

We conduct an evaluation of a supplier's performance and procedures, ensuring we obtain an accurate and complete understanding of existing practices and areas for improvement

- For all new suppliers, we conduct a comprehensive social and environmental audit aligned with the SMETA 4-pillar audit framework.
- Prior to the visit, we assess existing third-party audit reports and review any identified issues.
- We then conduct an on-site audit, focused on meaningful worker engagement including interviews and questionnaires with management team and workers, and a full factory inspection.
- An audit summary report is produced summarising non-conformance and findings, recommendations, factory feedback, and due dates for remedial actions

Case Study – New Factory Onboarding

In August, our Product Sourcing team selected a new factory to work with, and following the New Supplier Onboarding Process, our Social Responsibility team arranged an on-site audit. However, during the visit they found inconsistencies between the attendance and production records, with working hours and wages unable to be verified, highlighting concerns over use of excessive working hours. Citing the need for honesty and transparency, our Social Responsibility team explained they could offer support and guidance if excessive working hours were indeed occurring. However, whilst we try to work with our suppliers to address any issues identified during onboarding, in this instance we were unable to without their complete transparency.

Corrective Action Planning



Following the on-site audit findings, we develop a corrective action plan to move beyond compliance by prioritising actions and highlighting areas for continuous improvement.

Our corrective action plan includes:

- Practical and realistic recommendations and timelines for addressing identified issues.
- Education on implementing remedial and preventative actions and documenting progress.
- Training on how to complete root cause analysis of salient issues.
- Recommendations for training and capacity building projects to address and prevent issues.

With our ongoing support and follow up visits, the factories are required to submit monthly progress reports and evidence of actions in place to resolve all instances of non-compliance within three months. This year, **70% of the 209** instances of non-compliance were resolved within this time period, with a **further 20%** having demonstrated improvements with resolution timelines in place. Key issues reported were related to health & safety and living wages. Of the 121 reports of health & safety, fire safety and chemical management accounted for over a half, helping to inform our follow-up training and capacity building plans for the factories concerned.

Training

Training is the beating heart of our social responsibility programme. It is the means through which we educate our suppliers and employees on human rights risks in our supply chain. Based on the findings from on-site audits and CAP reports, our Social Responsibility team develops a training plan based on the needs of the individual factory, identifying areas of high risk and recurring issues to priorities.

Each session is held on-site and includes interactive training methods such as role plays, group discussions, and games to maximise engagement and participation. We have also found that if a particular issue is prevalent in a number of factories, workers and management from various locations can benefit from collaboration and idea sharing with training sessions arranged together.



Case Study – Fire Safety Training

Following a high number of fire safety issues reported in recent audits, we devised a training plan for two high risk factories with the aim of educating the management teams of the importance of ongoing fire safety due diligence.

Representatives from management and production staff from two tier 1 factories participated in 5 training modules delivered by Matrix's Social Responsibility team. The workshops included content around fire safety management and controls required to reduce the risk of fire during production. At the end of the final session, trainees had gained a better understanding of fire laws and regulations, they learnt the importance of good practice in preventing and controlling fire risks, and were also fully trained on how to use and maintain the fire equipment.

Both factories reported that the training was useful and well-received by the trainees, and everyone was clearer on the importance and requirements of adhering to fire laws and regulations. They both agreed to implement daily checks and maintenance of fire safety controls in line with their fire policy on an ongoing basis.

A series of follow up sessions are booked for 2024 to check the progress of resolving some of the remaining non-compliance issues, and rolling out the training to more of the factory workers at the request of management, to ensure the entire workforce is informed and engaged on the importance of fire safety awareness and prevention.

Topics we cover:

New Suppliers

- ETI Base Code
- Child Labour Prevention
- Fire & Safety
- Modern Slavery
- Code of Conduct

Foundation

- Environmental Health & Safety
- 5S Training
- Working Hours & Wage Standards
- First Aid
- Worker Empowerment
- Basic Financial Knowledge



Intermediate

- HR Management Systems
- Injury Prevention
- Reduction of Working Hours
- Grievance Systems
- Effective Internal Auditing
- Young Worker Training

Advanced

- Migrant Parenting
- Reduction of Worker Turnover
- Productivity & Efficiency
- Future Leaders
- Stress Management
- Clean Production
- Gender Equality



Case Study - Living Wage Study

Ensuring living wages are paid is a key principle of the ETI Base Code, and therefore we work with our suppliers to ensure their commitment in providing wages that are sufficient to meet the basic needs of an individual or family, allowing for a decent standard of living.

This year we conducted a study of wages in three of our tier 1 factories to identify any gaps between worker expectation, calculated living wage, and actual take home wages. The survey was designed by our Social Responsibility team, using the Anker Methodology to include housing, child education, medical, transportation, food and entertainment costs. The survey was completed by 148 workers on their phones, identified using a stratified random sample. We also conducted interviews with factory management to gain an insight into their level of understanding of this topic.

Two of the factories' workers' wages met the living wage standards based on our calculations, but we identified a gap in worker take home pay and the living wage at one factory, with gaps between worker expectation and actual take home pay existing in all three factories. The results from the management interviews identified a lack of understanding of how the living wage is calculated and the impact on workers' quality of life.

Once the findings were shared with management teams, all three factories agreed to consider the following factors when setting annual wage levels:

- Local minimum wage standards
- Local government salary guidelines
- Industry wage standards

We understand that improving living wages involves a number of strategies. Following the study, we will continue to engage with factory management in constructive dialogue around the importance of paying fair wages. We will also collaborate with our peers and industry associations to keep the focus on this topic, whilst continuing to monitor the situation through data collection and training.

Our Social Responsibility team provides bespoke capacity building projects based on the social compliance needs of our suppliers. These projects help drive continuous improvement by delivering a more in-depth analysis of current processes; providing recommendations for tackling salient issues and improving overall productivity.



Workers' Voice

Matrix fully respects the rights of all employees and workers in our supply chain to form and join trade unions, participate in **collective bargaining**, and engage in other activities related to the protection of their interests. **Freedom of association** is a key principle of the International Labour Organisation's (ILO) conventions and is considered a fundamental human right, linked closely with the principles of democracy and social justice. It allows workers to organise collectively to address workplace issues, advocate for their rights, and negotiate with their employers to improve working conditions.

As members of ETI, we fully support and insist our suppliers follow the ETI Base Code clause on Freedom of Association. We encourage our suppliers to assign worker representatives and set up worker committees to ensure their voices are heard and any grievances and employment issues are addressed by senior management. Through our recent engagement with the International Transport Workers' Federation (ITF) we are also working towards ensuring all our vessels carrying Matrix products are covered by the ITF-approved Collective Bargaining Agreements.

Whilst internally our employees do not currently engage with any trade unions, we share ways in which staff can make suggestions and voice their concerns through our grievance mechanism. We also conduct regular employee engagement surveys and encourage our staff to raise any concerns through their quarterly review meetings with managers. We operate an open-door policy so employees can communicate directly with leadership or report anonymously through our whistleblowing procedures.

6

of our tier 1 factories (35%
have established trade unions

15

(88%) have nominated
worker representatives

13

(76%) have Environmental and
Health & Safety Committees

Case Study - Grievance Mechanism Training

Laws and regulations around Employee Grievance Mechanisms are continually being updated, and to keep ourselves and our suppliers informed of the latest due diligence domestically and internationally, we arranged for our Social Responsibility team to participate in a training on 'Promoting Supply Chain Due Diligence through Employee Grievance Mechanisms' held by Timeline Consulting in October 2023.

The one-day course covered the following topics:

- The importance of grievance mechanisms and transparency within our supply chains.
- Impacts of updated legislation.
- Risks and opportunities surrounding the development of technology in operating and updating grievance mechanisms.
- Identifying underrepresented and vulnerable workers, and assessing their access to remedy.

Following the training our Social Responsibility team is:

- Planning to conduct supplier surveys to understand the current accessibility of grievance mechanisms in place at our suppliers' factories.
- Compiling guidance for our suppliers on implementing effective grievance policies.
- Incorporating vulnerable workers into our data collection and risk assessments to ensure they have effective access to grievance mechanisms.

Our Key Partners



The Ethical Trading Initiative (ETI) is a collaborative alliance of companies, trade unions and non-governmental organisations (NGOs) working together to improve labour conditions and promote ethical trade practices in global supply chains by adhering to internationally recognised labour standards.



The B Corp network is a global movement of companies working collaboratively to promote sustainable and responsible business practices. The network provides a platform for B Corp certified companies to share best practices, collaborate on social and environmental initiatives, and advocate for systemic change in the business world.



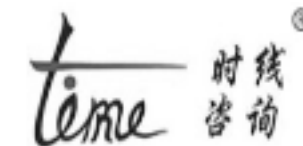
The International Transport Workers' Federation (ITF) is a global trade union that represents and promotes the rights and interests of workers in the transport industry through international collaboration and advocacy.



B-ABLE is a sustainability consultancy whose purpose is to create a better world for future generations. B-ABLE Supports businesses to navigate their sustainability journey from strategy creation to implementation through simplifying sustainability and empowering businesses. Their efficient and personalised end-to-end service is tailored to their clients' needs, from one-off projects to long-term support.



Quizrr provides interactive and engaging digital training workshops to educate workers on their labour rights, workplace safety and good ethical practices.



Timeline Consultancy has been dedicated to providing capacity building projects in the area of employee relations management for supply chains for over 20 years. They provide professional training, consulting, survey research and project evaluation services.



The Centre is a social enterprise focusing on child rights and business for over 10 years in Asia, Africa, Middle East and the Americas. They bring brands and suppliers together to collaborate, share best practice and access the latest information and insights related to child labour and child rights in supply chains.

Plans for 2024

We are proud of the work that we have completed to date, but also recognise that there is still more to be done. In 2024, we will continue to enhance our measures to identify, mitigate and prevent modern slavery and human rights violations in our operations and supply chain.

Impact Strategy Roll Out

In January 2024 we will be launching our Impact Strategy. This is our plan for how we will take action across the social and environmental topics that matter most to our stakeholders. Our sustainability pillars **Planet**, **Product** and **People** will be supported by commitments and targets to drive action, and quarterly impact forums will be held to ensure we remain engaged and focused on achieving our sustainability ambitions.

Responsible Purchasing Practices Initiative

A cross-functional group (comprised of members from our Supply Chain, ESG, Sales, Sourcing, Product Development teams) recently joined the Responsible Purchasing Practices Initiative organised by the ETI to improve our collective understanding of how our purchasing practices impact workers' rights. The two-year project kicks off in January 2024 with a series of workshops, surveys and exercises designed to highlight challenges, and trial and implement changes that will result in lasting improvements to working conditions in our factories.

Tier 2 Supply Chain Mapping

Mapping the lower tiers of our supply chain is crucial for risk management and improving the transparency of human rights violations within our supply chain. A priority for us in 2024 is mapping our Tier 2 suppliers, and determining their risk levels. We have set an ambitious target for all high-risk Tier 2 suppliers to complete our Beyond Audit programme by 2028, enabling these suppliers to address salient human rights issues.

Capacity Building Projects in Cambodia and Vietnam

In 2024 we will be investing additional resources into supporting our suppliers in Cambodia and Vietnam, countries that are at higher risk of using child labour. We will be working with Timeline and The Centre for Child Rights in Business to improve our understanding of the specific risks prevalent in these two countries to tackle any instances of child labour or any other human rights abuses.

Freight Forwarder Collaboration

Following our initial engagement with the ITF in 2023, and receiving the results of the Maritime Rights Check, in 2024 we will be working with our freight forwarder to ensure that appropriate due diligence measures are in place for all our products to ensure they are transported by vessels on which seafarers' rights are protected.

Expanding Internal Policies and Training

We have identified a need to expand our internal policy framework and to upskill our workforce beyond our ESG and Social Responsibility teams on modern slavery and our approach. In 2024, we will be reviewing our policies and procedures to ensure we have all the necessary policies in place in relation to our human rights due diligence processes. We will also work on developing a training programme for all employees to educate them on what modern slavery is, our salient risks, our approach to addressing modern slavery, and how they can take action, with the overall aim to increase awareness and create accountability across the business.

Our Tier 1 Suppliers

We work closely with our suppliers to build long-term collaborative relationships, with a comprehensive on-boarding process in place to set our partnerships up for success. The following list includes our current tier 1 factories, and we will review the list annually along with our Modern Slavery Statement update:



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| Supplier | Factory Address | Country | Product Category | No. of Workers |
|---|--|----------|------------------|----------------|
| Dongguan Changping Pak Sing Toys Factory | 196 Jinmei Rd, Jinmei Village, Changping Town, Dongguan City, Guangdong Province | China | Packaging | 85 |
| Guangdong Excellent Packaging Technology Co Ltd | No.8, Market Road, Baishigang, Industrial Zone, Baishigang Village, Changping, Dongguan, Guangdong | China | Packaging | 322 |
| Idea Beauty Packaging Ltd | No.19, 1st Huangang Road, Qixinggang, Luogang Village, Junhe Street, Baiyu District, Guangzhou City, Guangdong Province | China | Packaging | 57 |
| John Cotton Group Ltd | Snuggledown, Beaver Court, Lockett Road, South Lancs Industrial Estate, Ashton-in-Makerfield, Wigan, WN4 8DE, United Kingdom | UK | Textiles | 285 |
| Ming Fai Industrial (Cambodia) Co. Ltd | National road 41, Phum Vealvong, Khum Saedei, Srok | Cambodia | Textiles | 3,720 |
| Ming Fai Industrial (Shenzhen) Co. Ltd | Ming Fai Industrial Estate, Bainingkeng, Pinghu, Longgan District, Shenzhen, Guangdong Province | China | Personal Care | 2,201 |
| Nanjing Meihua Textile Co. Ltd | No. 289, Renmin Road, Maji Town, Liuhe District, Nanjing, Jiangsu Province | China | Textiles | 447 |
| Nantong Heritage Home Textiles Ltd | West Chuanjiang Town, Tongzhou District, Nantong, Jiangsu Province | China | Textiles | 397 |
| Ningbo Beilun Mengda Garment Co. Ltd | No. 51 Nanhai Road Beilun District, Ningbo | China | Textiles | 205 |
| Ningbo Dongchen Apparel Co. Ltd. | No.137 Xiangshanhe Road, Danxi Street, Xiangshan County, Zhejiang Province | China | Textiles | 75 |

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| Supplier | Factory Address | Country | Product Category | No. of Workers |
|--|---|---------|------------------|----------------|
| Reabrook Health & Beauty | Rawdon Road, Moira, Swadlincote, Derbyshire, DE12 6DA | UK | Aerosols | 128 |
| Shandong Angel Home Textile Co. Ltd | No.313 of Industry 3rd Road Feicheng City, Shandong Province | China | Textiles | 211 |
| Shandong Kanghui Health Technology Co. Ltd | No. 67 Kanghui Street, Feicheng High-tech Zone, Tai'an City, Shandong Province | China | Textiles | 117 |
| Taian Link Home Furnishings Co. Ltd | South Laotailin Road, Laocheng Industrial Park, Feicheng, Taian City, Shandong Province | China | Textiles | 85 |
| Vinh Khanh Co. Ltd | 195 Cam Lo, Hung Vuong Ward, Hong Bang District, Hai Phong City | Vietnam | Candles | 76 |
| Zhejiang Jinghui Cosmetic Co. Ltd | Xiajiangyi Village, Hezhai Area, Niansanli Industry Zone, Yiwu, Zhejiang Province | China | Fragrance | 425 |
| Zhejiang Rifeshow Cosmetics Co. Ltd | Dashi Road 67, Fotang Town, Yiwu City, Zhejiang Province | China | Fragrance | 417 |
| Zhuji Hangfeng Textile Products Co. Ltd | No. 5 Lianhe Road, Taozhu Street, Zhuji City, Zhejiang Province | China | Textiles | 222 |
| Anhui A-best Glass Technology Co.,Ltd. | Room 8-2-203, Xiangshan Building, Xiangshan Road, Gulou District, Xuzhou City, Jiangsu | China | Packaging | 205 |

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