



Koalaa Modern Slavery Policy

January 2025

Policy Statement

1.1 This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and sets out the steps that Koalaa has taken to ensure that slavery or slavery-like practices, forced labour, and human trafficking are not taking place within our supply chains or in any part of our business. Koalaa is committed to preventing slavery and human trafficking in our operations and global supply chains, adopting a zero-tolerance approach. We expect all those in our supply chain—including contractors—to comply with the Modern Slavery Act 2015.

1.2 Koalaa requires all employees, contractors, and partners to report any concerns related to slavery or human trafficking. We ensure that all concerns are investigated promptly and appropriate actions are taken.

1.3 Koalaa upholds the principles of the Ethical Trading Initiative Base Code of labour practice, which includes:

- Employment is freely chosen



- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practiced
- Regular employment is provided
- No harsh or inhumane treatment is allowed

1.4 We act with integrity and ensure compliance with the Modern Slavery Act 2015 and all relevant legislation and statutory requirements. This commitment is embedded throughout our operations and mirrored in our supplier agreements.

1.5 Additional policies include:

- Supplier code of conduct
- Migrant worker policy
- Child labour policy
- Human rights policy
- Recruitment policy
- Procurement policy
- Employee code of conduct

1.6 Adherence to Local and National Laws: Koalaa commits to full compliance with all local and national laws and regulations regarding labor practices, employment, and anti-slavery.



1.7 Freedom of Workers to Terminate Employment: We uphold the right of all workers to terminate their employment freely and without penalty, given reasonable notice as specified in their employment contract.

1.8 Freedom of Movement: Koalaa ensures that all workers retain freedom of movement in their employment and are not restricted unlawfully while carrying out their roles.

1.9 Freedom of Association: We support the right of all workers to form and join trade unions and to engage in collective bargaining as per local laws and practices.

1.10 Prohibits Any Threat of Violence, Harassment, and Intimidation: Koalaa enforces a strict policy that prohibits any form of violence, harassment, or intimidation in the workplace.

1.11 Prohibits the Use of Worker-Paid Recruitment Fees: Our policy strictly prohibits the practice of charging recruitment fees to workers. All recruitment-related expenses must be borne by Koalaa or its direct contractors.

1.12 Prohibits Compulsory Overtime: Koalaa ensures that all overtime work is voluntary and compensated according to applicable laws and regulations.

1.13 Prohibits Child Labour: Koalaa adheres to the strictest standards regarding age of employment, and does not engage in or support child labour.

1.14 Prohibits Discrimination: Our company practices an equal opportunity policy for all current and prospective workers and does not engage in or tolerate any form of discrimination.



1.15 Prohibits Confiscation of Workers' Original Identification Documents: Koalaa strictly prohibits the confiscation or non-consensual retention of workers' original identification documents, such as passports or national ID cards. All employees retain the right to possess their own documents to ensure their freedom of movement and personal security.

1.16 Provides Access to Remedy, Compensation, and Justice for Victims of Modern Slavery: Koalaa is committed to providing access to remedy and justice for individuals who are victims of modern slavery. We ensure that all employees have access to confidential means to report violations, and we facilitate appropriate measures for remedy including compensation, reparation, and legal support where necessary.

Due Diligence

2.1 To prevent slavery and human trafficking in our supply chains (where risks of modern slavery may be highest), Koalaa conducts due diligence on all suppliers before entering contracts and on an ongoing basis. This includes annual audits, supplier assessments, and compulsory slavery and human trafficking awareness training for all procurement staff. We include clauses in our contracts that obligate our suppliers to comply with the Modern Slavery Act 2015 and provide for the termination of the contract where non-compliance is identified.

Reporting

3.1 Koalaa takes all allegations of slavery and human trafficking seriously. We encourage the immediate reporting of any malpractice or wrongdoing related to slavery and human trafficking within our operations or across our partnerships.



Reports should be made to a designated senior manager, ensuring confidentiality and protection for whistleblowers.

Effectiveness Review

4.1 We regularly review the effectiveness of our efforts to combat slavery and human trafficking through internal audits, reviewing supplier compliance, and monitoring remediation actions. We use key performance indicators, such as the number of audits conducted, non-compliance issues identified, and corrective actions taken, to measure our success in ensuring that our supply chains are free from slavery and human trafficking.

KPIS

- **Percentage of Policies Reviewed and Updated:** Measure the percentage of anti-slavery and human trafficking policies reviewed and updated annually to ensure they align with current laws and best practices.
 - **Target:** Aim for 100% review and update coverage each year.
- **Number of Risk Assessments Conducted Annually:** Track the number of comprehensive modern slavery risk assessments conducted across the organisation and supply chains.
 - **Target:** Conduct at least one risk assessment per year or more depending on the operational and geographical expansion.
- **Percentage of Suppliers Screened for Modern Slavery Risks:** Monitor the percentage of new and existing suppliers screened for modern slavery risks using established due diligence processes.
 - **Target:** Achieve 100% screening of all new suppliers and annual rescreening of existing suppliers to ensure ongoing compliance.



- **Percentage of Employees Trained on Modern Slavery Annually:** This KPI measures the percentage of staff at all levels of the organisation that have completed training on modern slavery recognition, reporting procedures, and prevention strategies.
 - **Target:** Ensure that at least 95% of all employees receive modern slavery training each year, with refresher courses provided as necessary

Board Approval

5.1 This statement has been approved by the board of directors and is signed by the Founder/ Director. It reflects our commitment to improving our practices to combat slavery and human trafficking.

A handwritten signature in black ink, appearing to be "Nate Macabuag", written over a horizontal line.

Approval: _____

Date: ___22nd January 2025___

Nate Macabuag

(Founder/Director)



Director Response: 22nd January 2025

A summary of Koalaa Ltd.'s objectives and plans to enhance the management of modern slavery risks over the next 12 months:

Objectives:

1. Strengthen Policy Framework:

- Review and enhance existing policies related to modern slavery to ensure they are comprehensive, up-to-date, and aligned with the latest legal standards and best practices.

2. Enhanced Risk Assessment Procedures:

- Implement more frequent and thorough risk assessments to identify potential modern slavery risks in both existing operations and new market expansions.

3. Robust Supplier Due Diligence:

- Strengthen the supplier vetting process by incorporating more rigorous due diligence checks that focus on labour practices and compliance with anti-slavery norms.

4. Comprehensive Employee Training:

- Increase the scope and frequency of training programs for all employees, focusing on identifying, reporting, and preventing instances of modern slavery.

Plans:

1. Policy Review and Update:



- Schedule annual reviews of all related policies, involving input from legal, compliance, and HR departments to ensure all potential modern slavery issues are covered.
- Establish a policy update process that includes feedback from internal stakeholders and external experts.

2. Risk Assessment Enhancements:

- Develop a new risk assessment framework that includes specific indicators related to modern slavery, such as supply chain complexity, geographic risk factors, and sector-specific vulnerabilities.
- Plan for one comprehensive risk assessment within the next year.

3. Supplier Engagement Strategy:

- Initiate a supplier engagement program for any new overseas suppliers that includes Koalaa's expectations regarding ethical labor practices.
- Introduce a tiered compliance system for suppliers, requiring higher compliance standards for those in high-risk categories, where applicable.

4. Training Program Development:

- Maintain a mandatory modern slavery training module for all new employees during their orientation period.
- Offer bi-annual refresher e-courses for current employees, ensuring that they are aware of the latest practices and procedures for identifying and responding to modern slavery risks.

5. Monitoring and Reporting Mechanisms:



- Implement a standardised reporting mechanism for employees and suppliers to report suspicions of modern slavery anonymously.
- Develop a dashboard for tracking and reporting on KPIs related to modern slavery, allowing for real-time monitoring of progress and identification of areas needing attention.

6. Review and Continuous Improvement:

- Establish a review committee to assess the effectiveness of the implemented actions and make iterative improvements based on real-world feedback and emerging best practices.

These objectives and plans demonstrate Koalaa Ltd.'s proactive and comprehensive approach to managing modern slavery risks, ensuring continuous improvement and compliance with ethical standards and legal requirements.