

A photograph of a fashion designer's workspace, overlaid with a semi-transparent teal filter. On the left, a person is partially visible, wearing a dark top and a long necklace. The background wall is covered with numerous fashion sketches and drawings. In the foreground, a person's hands are visible at a desk, with a glass of water and some papers. The overall scene is dimly lit, focusing on the creative process.

FOREVER NEW

MODERN SLAVERY STATEMENT

2021

Introduction

Forever New is committed to upholding the rights of workers to earn a living free from the risks of modern slavery.

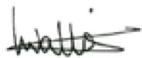
We acknowledge that we have a vital role to play in identifying and addressing any risks of modern slavery in our operations and supply chains and we accept that responsibility without hesitation. We will not tolerate any form of modern slavery (whether coercion, human trafficking, slavery, servitude, forced or compulsory labour, forced marriage, debt bondage, the worst forms of child labour and deceptive recruiting) in our business. Our customers expect nothing less from us.

This statement describes the risks of modern slavery identified in our operations and supply chains and the steps taken during this reporting period to minimize the likelihood of those risks occurring. This statement also outlines our ongoing and future activities towards addressing modern slavery in our business.

This modern slavery statement applies to the reporting period 1 July 2020 – 30 June 2021 and is a statement by **Forever New Clothing UK Limited**, Company number 12060160 (referred to throughout this statement as 'Forever New').

This statement has been prepared in accordance with section 54 of the Modern Slavery Act 2015 (UK) ('the Modern Slavery Act').

This statement was reviewed and approved by the director of Forever New Clothing UK Limited on 17 December 2021.



Ian Wallis

Director

Forever New Clothing UK Limited

Our Structure, Operations and Supply Chains

Our Structure

The Board of ADT Group Holdings Pty Ltd is responsible for the overall governance, management and strategic direction of Forever New in accordance with all duties and obligations imposed by law. This includes oversight of the Forever New Supplier Code of Conduct and other ethical sourcing policies such as our Young Worker and Child Labour Policy and Forced Labour Policy. ADT Group Holdings Pty Ltd is the parent company of Forever New Clothing Pty Ltd, the primary operating entity in Australia. Forever New Clothing UK Limited, the primary operating entity in the UK.

The Board has delegated some of its responsibilities to the Audit and Risk Committee, including oversight of the Forever New's risk management and compliance framework.

The Executive Leadership Team of Forever New is responsible for the implementation and delivery of Forever New's strategy, risk management and compliance framework. Each member of the Executive Leadership Team directly reports to the Chief Executive Officer of Forever New. Within Forever New's business, the General Manager of Production and Quality continues to oversee the management of Forever New's ethical sourcing initiatives, including compliance with modern slavery. Since our last statement, we have appointed a Sustainability and Social Compliance Specialist as a dedicated resource to manage all ethical sourcing activities within Forever New.

Our Operations

Forever New commenced in 2006 and its headquarters are in Melbourne, Australia.

Forever New's business comprises the sale of women's apparel and related accessories under its brands, 'Forever New', 'Forever New Curve' and 'Ever New'. The brands 'Forever New' and 'Forever New Curve' are used in most countries where our brand is sold, with products sold under the 'Ever New' brand in USA, Canada and the Philippines.

Forever New is a multichannel wholesale and retail business directly selling its products via the following channels:

- free-standing retail stores located in Australia, New Zealand, Singapore, Canada, India, South Africa and Namibia (approximately 177 stores)
- concessions ('store-in-stores') located in department stores throughout Australia, Singapore, Canada, India, South Africa, the United Kingdom, European Union and the Middle East (approximately 185 stores)
- online through our own websites and third-party websites
- as a franchisor in the Philippines and Indonesia (approximately 18 stores); and
- wholesale.

These channels remain largely unchanged since our last statement.

Our subsidiary companies in New Zealand, Singapore, Canada, South Africa, United Kingdom, European Union and India operate our business in those countries. Forever New also operates regional offices in Cape Town (South Africa) and Gurgaon (India).

Globally, we directly employ over 1,900 people with a small number of staff employed on a contract basis. In Australia, where our head office and majority of stores are located, we directly employ approximately 1,000 people.

Our operations consist of design, retail, corporate, customer service and warehouse functions. Forever New's in-house design team designs product ranges which are manufactured by third parties overseas.



Our head office comprises support functions including finance, marketing, e-commerce, IT, buying, design, quality assurance, store development, operations, supply chain and logistics, legal, human resources, and planning.

Forever New's distribution centres located in Australia and India distribute merchandise to our store networks and fulfill online orders received through our websites. Forever New uses third party logistics and warehouse service providers in New Zealand, Canada, Middle East, USA, South Africa, Singapore and the United Kingdom.

In the United Kingdom and European Union, our operations comprise approximately 17 retail concession stores within department stores; with a further 5 employees in operational and support roles.



Our Structure, Operations and Supply Chains

Our Supply Chain

Merchandise suppliers (goods for resale)

Our product design team is based in our Melbourne head office with products manufactured by factories primarily based in five countries – China, Vietnam, India, Bangladesh and Turkey.

Consistent with the last reporting period, our primary sourcing country is China which accounts for over 80% of our products. We are proud to say that we have continued our long-standing relationships with our suppliers into this reporting period. We also predominately source directly which enables us to have greater oversight of our suppliers. We source a limited range of products via agents.

Across our apparel, footwear and accessories ranges, we work with 115 suppliers.

Non-merchandise suppliers (goods and services not for resale)

Globally, we source non-merchandise goods and services from approximately 900 suppliers covering 30 diverse industry categories such as marketing, packaging, freight and logistics, professional services, shopfitting; warehousing, cleaning, IT and customer support.

Addressing the Impacts of Covid-19

Covid-19 continues to have a profound impact on the global fashion industry. We recognise garment workers are disproportionately impacted by Covid-19. Together with our suppliers, we have developed a range of initiatives to address those impacts from factories to stores.

Covid-19 Supply Chain Impacts and Support

We recognize that Covid-19 and the impact on global supply chains remains prevalent. We have continued to honour our product commitments to reduce the impact on our supply chain partners and prioritise their health and safety.

Since our last statement, our suppliers have implemented well-established guidelines and safety measures across their workplaces in line with applicable official government health advice to address the risks of Covid-19. These safety measures vary between suppliers depending on their circumstances and location include the following:

- social distancing measures
- use of QR codes
- use of personal protective equipment (PPE)
- temperature checks at shift commencement
- Covid-19 awareness and prevention training
- deep cleans of machinery and frequently used facilities

Our suppliers continue to monitor the effectiveness of these measures and official government advice to minimise the risk of Covid-19 to workers and their families.

In addition to the above measures, we have continued to encourage and support our suppliers to prioritise the health and safety for all workers during this reporting period, resulting in further initiatives being implemented across multiple factories; These have included:

- The use of rapid antigen testing
- Support and encouragement to get vaccinated
- Changes to working shifts/rosters to limit the number of people working at the same time
- Establishment of Covid-19 prevention committees in Bangladesh (which include worker representatives); and
- Implementation of health declarations upon commencing work or visiting.

It is widely acknowledged and accepted that vaccination is key to protecting the health of workers. We are pleased to report that vaccination initiatives offered by our suppliers included health professionals visiting factories to vaccinate workers; and provision of leave and transportation to allow workers to be vaccinated.

The closure of factories, travel restrictions and border closures has heavily impacted our ability to conduct physical audits of factories. Some audits needed to be conducted virtually which is not preferred. Other areas impacted include remediation timelines and training sessions. Regrettably, in some instances, training has either been postponed or conducted virtually instead of face-to-face. Training undertaken in person has been conducted in smaller groups and on a more frequent basis. During this reporting period some workers were unable to work due to living in areas impacted by travel restrictions and lockdowns.

Covid-19 Operations Impact and Support

Across the business, our global operations continued to be impacted by office, store and warehouse closures throughout the reporting period.

Employees continue to be supported throughout the pandemic via heightened safety protocols for those working on and off site. These protocols varied by country, depending on local conditions and requirements. Protocols included

- advanced leave provisions
- flexible working arrangements
- the ongoing use of Covid-19 safety protocols such as the provision of free PPE in key markets including Australia, New Zealand, Canada and Singapore, frequent sanitization and cleaning activities, temperature checks on commencement of work and mandatory use of QR codes for contact tracing purposes
- re-organisation of shifts to reduce number of employees on site at any given time and attendance caps
- support and encouragement to get vaccinated, with leave granted in some markets
- regular communications including government guidance, resources and updates
- access to paid personal leave in some cases where appropriate to support employees attending vaccination appointments; and
- access to wellbeing support including Employee Assistance Programs and resources.

In the next reporting period, we will introduce regular rapid antigen testing across all divisions of Forever New in Australia (including our distribution centre) to minimise the risk of Covid-19 infecting employees.

Back-to-work Covid-19 management plans have been implemented as employee attendance has incrementally resumed across our worksites.

For our employees in India, a region which experienced heightened risks of exposure to Covid-19, additional measures to those above include flexible work arrangements offered to personnel in high-risk categories (such as those with existing health conditions and young mothers) and the establishment of an emergency fund to provide financial assistance for employees impacted by Covid-19. Testing costs have been paid by Forever New for all employees across stores and warehouse.

Workshop programs for all employees across stores and the warehouse were also introduced focusing on Covid Care and Mental Health.

The roll out of some activities in our Strategic Plan (referred to later in this statement) including professional development activities were temporarily postponed due to staff furloughs/stand downs.

Identifying Risks of Modern Slavery

The global apparel industry continues to face modern slavery risks, making identification and remediation of those risks a key priority for our business.

Risks In Our Operations

In Australia, New Zealand, Canada, EU and Singapore, we have determined the risk of modern slavery in our retail and head office operations to be low, which is unchanged from our last statement. We also consider our operations in the United Kingdom to present a low risk of modern slavery.

In our last statement, we identified our warehouses and franchise operations as requiring further due diligence to understand any potential risks of vulnerable worker groups including temporary and migrant workers. In India and Australia, our distribution centre staff are directly employed by Forever New and as such, we consider the risk of modern slavery to be low. Security staff at warehouses may be engaged by third party agencies, which will be the subject of due diligence to ascertain any modern slavery risks. We anticipate this task, along with enquiries in relation to our franchise operations in Indonesia and the Philippines will be finalised in 2022.

Concession staff based throughout department stores are usually hired directly by Forever New and are employed on Forever New contracts. The use of recruitment agencies in relation to concession staff is minimal and usually confined to short term engagements such as assistance with seasonal sales. In some department stores, staffing is provided by the department store and salary costs are paid by Forever New. We consider the risk of modern slavery in relation to concession staff to be low.

Risks In Our Supply Chain

Using indices including the ITUC Global Rights Index, and the Global Slavery Index, combined with resources from the ILO, we continue to develop a comprehensive risk register to:

- understand and determine our salient risks across all regions by country, sector and commodity
- identify vulnerable worker groups
- prioritise our risk mitigation and due diligence efforts commensurate with the level of risk; and
- frame our remediation strategy.

Merchandise suppliers

Across our merchandise supply chain, our assessment has identified the following potential modern slavery risks as our most salient:

- forced labour
- bonded labour
- the worst forms of child labour; and
- deceptive recruitment practices.

We also recognise the following risk factors in the apparel sector as indicators of the potential for modern slavery to occur:

- unauthorised subcontracting
- excessive overtime
- the use of migrant, low skilled workers
- lack of freedom of association
- temporary labour contracts; and
- lack of access to effective grievance mechanisms

We acknowledge the following categories of workers as the most vulnerable in the garment sector:

- female workers
- migrant labour
- subcontracted labour
- agency and temporary/contract labour; and
- young/child workers.

These risks remain unchanged from our last statement, and we do not expect any material changes to these risks in the near future.

Non-merchandise suppliers

We source non-merchandise goods and services from approximately 900 suppliers covering 30 industry categories.

Given their broad nature and locations, risks in this area of our supply chain are unique and varied. As outlined in our last statement, in 2022 we will commence detailed risk mapping by sector, region and spend to identify specific risks and prioritise areas of due diligence.

Specific areas of focus will be cleaning, third party warehousing, freight and logistics which present greater risk of modern slavery.



Actions Taken to Address Modern Slavery Risks

Our cross functional approach to mitigate and remediate risks of modern slavery in our supply chain and operations is supported through policy frameworks, resourcing, supplier engagement and industry partnerships.

Governance

The Board, together with the Audit and Risk Committee continue to share responsibility for oversight of Forever New's risk management and compliance framework with the Executive Leadership team responsible for its implementation and delivery. This remains unchanged from our last statement.

Since our last statement, we have established a Forever New cross functional and regional modern slavery working group which reports to the Audit and Risk Committee. The charter of the Audit and Risk Committee has also been updated to include modern slavery reporting as a standing agenda item. The modern slavery working group has established information gathering procedures for this statement and is responsible for ensuring that key actions and future priorities identified in our modern slavery statements are undertaken and completed. The establishment of our working group also ensures that responsibility for all key actions identified in our modern slavery statements are shared across all key business functions, with the Audit and Risk Committee and Board taking ultimate responsibility.

Operations

Our policy framework continues to set the standards by which we operate as well as outlining responsibilities of suppliers regarding workplace behaviour, compliance with relevant laws and regulations, bribery and corruption, harassment and conflicts of interest.

Across our operations, our policies and employee handbooks contain the following policies:

- Forever New supplier code of conduct
- equal employment policy
- diversity, equality and inclusion policy; and
- prevention of sexual harassment policy.

Whilst a preliminary risk assessment of our operations highlights employees hired via our franchisees and third-party labour contracts as a priority, due to the lower visibility of these arrangements, further assessment is scheduled to determine the specific nature and degree of potential risks relevant to each function and region. We hope to complete this assessment in 2022.

Existing governance in our international regions includes independent grievance mechanisms and risk committees.

Our work going forward is to gain further understanding of their effectiveness and explore how they are responding to the nature of risks specific to their region.

The Forever New Whistleblowing Policy and anonymous helpline is available to ensure staff and others to whom the policy applies are provided access to an effective grievance channel. We will continue to raise awareness of the Whistleblowing Policy throughout our overseas operations. Further details of our Whistleblower Policy and complaint mechanisms are contained later in this section.

In respect to our concession arrangements, we will continue to work with department stores to address modern slavery risks as required by our contracts with them.

Actions Taken to Address Modern Slavery Risks

Resourcing

Engaged to uphold our ethical sourcing standards, our in-country representatives continue to manage our supplier on-boarding processes, audit programmes and site visits, as well as corrective action management to drive continuous improvement.

As mentioned earlier, our modern slavery working group is primarily responsible for undertaking and completing all activities stipulated under each statement and preparation of each statement each year.

We have also appointed a Sustainability and Social Compliance Specialist as a dedicated resource to manage all ethical sourcing activities within Forever New.

Merchandise Supply Chain and Supplier Visibility

Forever New Conscious

In the previous reporting period we established a responsible sourcing strategy - Forever New Conscious, to reflect our responsibility to uphold the rights of workers in our supply chain, our commitment to minimising our environmental footprint and drive positive change for our stakeholders.

Building on our Responsible Sourcing Strategy, Forever New Conscious consists of five pillars of change:

- Responsible fibres
- Environment
- Ethical supply
- Community
- Diversity and Inclusion

Forever New Conscious holds us accountable to our commitments and time-bound objectives across all pillars.

Details of Forever New Conscious are publicly available on our website.

Supplier Visibility

Visibility of our supply chain is vital to identifying any modern slavery risks and managing their impacts should they be detected. Forever New is committed to working in a partnership approach with our finished goods suppliers, some of which have worked with for us as long as 14 years. We have full visibility of our Tier One factory base and over 50% of Tier Two suppliers (fabric mills and trim (inputs) suppliers). We recognise that modern slavery risks exist beyond Tier One into further tiers of the supply chain.

Industry Partnerships

One of our key strategies to enhance the visibility of our supply chain and address risks to sourcing of material is to increase our uptake of certified fibres and materials. Certified standards assist to verify environmental, chemical and social practices down to the raw material stage. We have elected to work with organisations such as Lenzing and Birla Cellulose who holds their suppliers to high internal standards through their Code of Conducts and separate policies on Human Rights and Labour Standards. Both are based on international recognised standards and principles for human rights.

Initially planned for this reporting period, however delayed following impacts of Covid-19, further mapping of Tier Two suppliers will continue in 2022 so we can gain a greater understanding of the profile of our production base and identify whether these facilities have undergone satisfactory social assessments and audits.

This reporting period we are pleased to advise that we joined Canopy, a not-for-profit organisation. This partnership assists us to further trace our cellulose suppliers past Tier One.

Cotton

We recognise the global cotton sector may present a high risk of forced labour. One of our measures to address this potential risk and building upon our existing requirement for suppliers to not knowingly source cotton from Uzbekistan, is our membership of the **Better Cotton Initiative (BCI)**.

The Better Cotton Standard System covers environmental, social and economic criteria with decent work being one its seven core principles farmers are monitored for adherence to. We acknowledge and support BCI's up-weighted focus on strengthening its capability for identifying and remediating forced labour risks across its sourcing countries.

Our sourcing strategy will continue to explore further due diligence measures to mitigate risks in this area of our supply chain.



Supplier Engagement

Social audit programme

Finished goods suppliers must comply with our ethical sourcing on-boarding process which includes compliance with our ethical sourcing policies (see below), audit and corrective action remediation programme. Suppliers are required to complete a pre-audit questionnaire and undergo either an annual internal audit conducted by our in-country compliance teams or provide a reputable third-party audit conducted in the past 12 months.

Audits must cover the Forever New Supplier Code of Conduct which is based on the ETI Base Code, **International Labour Organisation (ILO)** conventions and the United Nations Declaration on Human Rights, all relevant laws and include criteria such as working hours, wages, freedom of association, subcontracting, freely chosen employment and health and safety. Our in-country compliance teams conduct physical site visits of facilities in China, Sri Lanka, Vietnam, Bangladesh and India before they are approved for production, during which conditions are reviewed against the standards set out in the Forever New Supplier Code of Conduct.

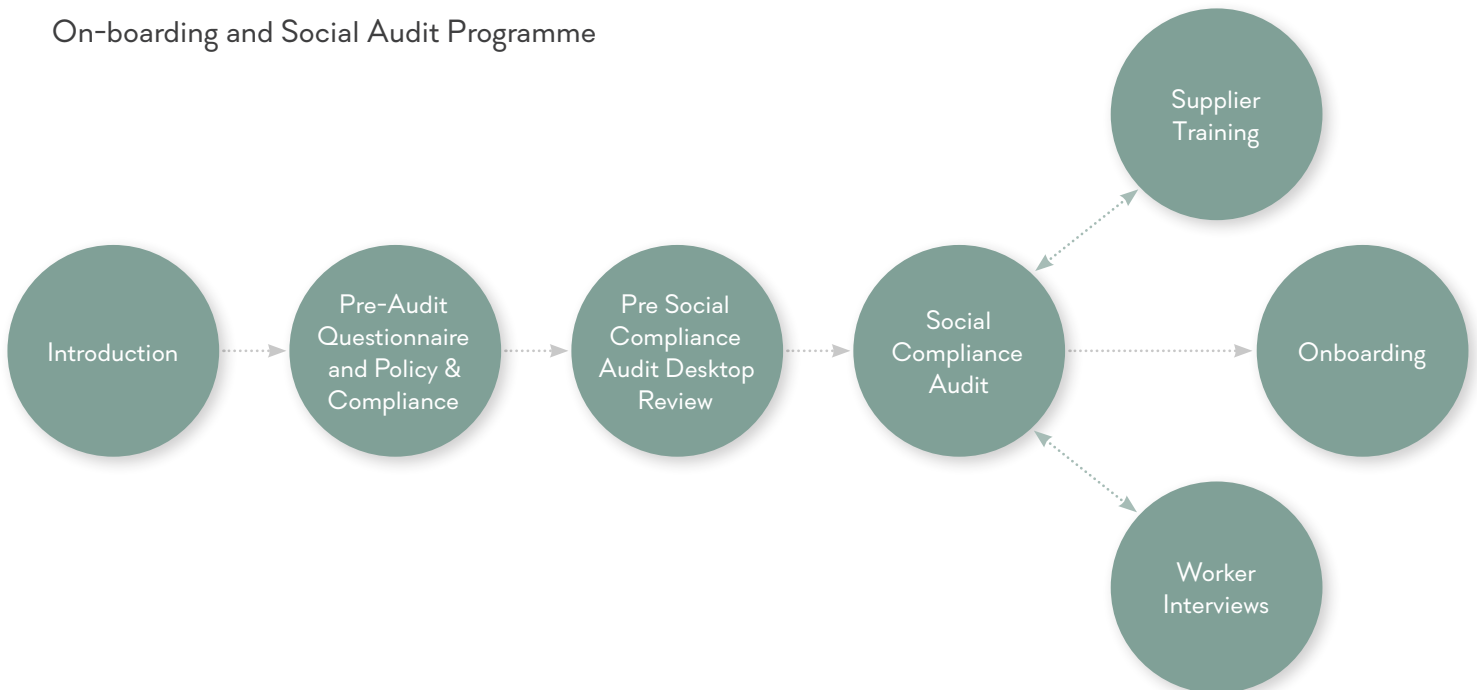
Suppliers found to have zero tolerance findings will not be on-boarded into our order platform until these issues are confirmed by our in-country compliance teams as remedied.

To ensure continuous improvement of workplace conditions and drive progress on issues identified in audits, suppliers are required to engage in time bound corrective action remediation plans which are overseen and managed by our in-country compliance managers. Findings are graded according to their severity with resolution timeframes ranging from immediate to 90 days accordingly.

During the reporting period, we conducted 59 audits (internal and third party), on both an announced and unannounced basis. Whilst this number is usually higher, the ongoing impact of Covid-19 resulted in fewer new suppliers being on-boarded and physical visits being limited due to travel and safety restrictions.

Whilst physical audits in some regions were hampered temporarily by the pandemic, virtual audit assessments did continue during the reporting period. Remediation timelines were extended where necessary whilst the safety of workers was prioritised or factories were closed.

On-boarding and Social Audit Programme



Actions Taken to Address Modern Slavery Risks

Policy and contractual provisions – Supply Chain

Our Supplier policy suite to which all suppliers must comply includes the Forever New Supplier Code of Conduct, which addresses forced labour risks including child labour and debt bondage. The Forever New Supplier Code of Conduct, coupled with our ethical sourcing policy suite, stipulates the minimum requirements of our trading relationships.

Since our last modern slavery statement, we have revised the Forever New Supplier Code of Conduct to take account of the United Nations Declaration of Human Rights, in addition to the ETI Base Code and applicable ILO Conventions. To assist with compliance and understanding, we have translated the revised Forever New Supplier Code of Conduct into Mandarin for our China based factories. In the next reporting period, we will translate the Supplier Code of Conduct for all other main sourcing countries.

We have also revised the following policies to clarify, strengthen and reinforce Forever New's ethical supply requirements and to ensure that compliance with these policies is a condition of supply to Forever New. These policies include:

- Young Worker and Child Labour Policy
- Forced Labour Policy; and
- Ban on Cotton Harvested from Uzbekistan.
- Responsible Purchasing Policy

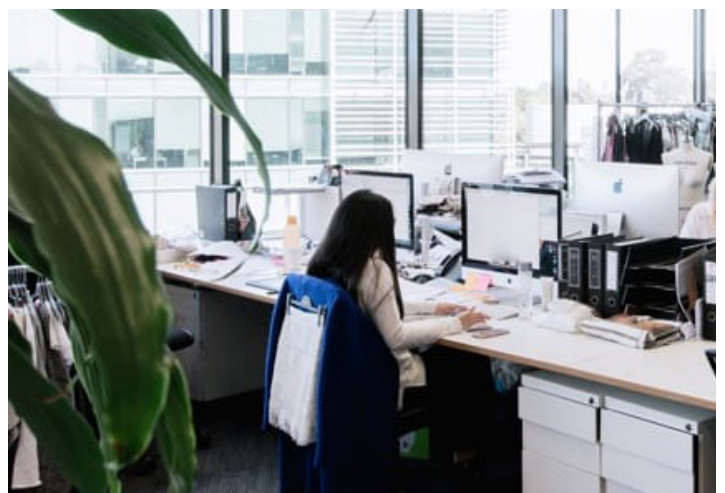
These policies are publicly available on our website.

Since our last statement, we have also finalised our new Merchandise Supply Terms, which includes a clause addressing modern slavery risks. This clause requires suppliers to commit:

- not to engage in modern slavery;
- to take steps to identify and mitigate modern slavery risks;
- to undertake modern slavery training;
- to permit Forever New access to premises of a supplier and their vendors to verify compliance with these requirements; and
- to advise Forever New of any instances of modern slavery in its operations.

It will be a condition of supply to Forever New that all merchandise suppliers must comply with the Merchandise Supply Terms. The Merchandise Supply Terms will be released to suppliers in 2022.

Our pro forma services agreement has been updated to include our modern slavery clause as outlined above. In the next reporting period, our Purchase Order Terms and Conditions will be updated to require compliance with our ethical sourcing policies and modern slavery and will be rolled out to suppliers together with the new Merchandise Supply Terms.



Grievance Mechanisms and Access to Remedy

Worker Voice

We recognise that whilst factory audits provide a useful tool in identifying potential indicators of modern slavery from which to drive further engagement, they cannot provide a full understanding of working conditions.

While all audits and site visits assess the presence of complaints mechanisms confidently and safely, the provision of a range of channels for workers to raise concerns is vital in ensuring employees have effective and legitimate access to remedies which they feel comfortable and confident in using.

As members of the **RMG Sustainability Council (RSC)**, our factories in Bangladesh already have a health and safety complaints mechanism in place where workers are able to raise safety concerns in a confidential manner.

In this reporting period, we explored options to determine the most effective grievance mechanism and we aim to launch our pilot program in key factories in 2022/23. We originally intended to roll the pilot program out during this reporting period, but unfortunately this was impacted by Covid-19.

Whistleblowing Policy

The Forever New Whistleblowing Policy provides an independent confidential hotline for reportable conduct to staff, contractors and suppliers and is available on the Forever New intranet and website. In the next reporting period, we will publicise the availability of the hotline with key stakeholders.

Internal Capacity Building

Responsible Sourcing and Purchasing

Consistent with the Forever New Supplier Code of Conduct, we are committed to responsible sourcing and recognize we have a shared responsibility with our supply chain partners to ensure the sourcing and production of our products uphold the rights of all workers.

Acknowledging that purchasing behaviour can positively influence the workplace conditions of those making our products, our Responsible Sourcing and Purchasing Policy outlines our approach to responsible purchasing practices.

All departments in the purchasing cycle are required to consider the following factors in their supplier relationships and negotiations:

- factory capacity and capability are factored into forecasts and orders
- forecasts are as accurate as possible
- lead times are adequate and agreed milestones adhered to
- price negotiations and payment terms are fair and balanced
- commercial terms and provisions allow for compliance with local and international laws and our Supplier Code of Conduct
- purchase orders and payments are made on time
- technical details are accurate, complete and provided on time
- orders with strategic suppliers are as consistent as possible; and
- responsible exit guidelines are followed.

The Responsible Sourcing and Purchasing Policy is publicly available on our website.

In the next reporting period, we will strengthen our efforts further and aim to ringfence wages and itemise direct and indirect labour in cost calculations.



Actions Taken to Address Modern Slavery Risks

Training

In-person training with our buying and sourcing functions included scenario setting and case studies to demonstrate the multiple stages of a transaction where the opportunity to influence positive purchasing behaviour presents itself.

Both the annual training calendar and the induction processes of new team members working in the sourcing and purchasing departments, have been amended to include training of the Responsible Sourcing and Purchasing Policy and how to implement its principles.

Modern Slavery training for our employees was halted due to office and store closures during Covid-19. This will re-commence in the next reporting period via in house training and online module.

Stakeholder Engagement and Partnerships

Tackling the risks of forced labour is a combined effort and we acknowledge the partnership and collaboration required across the sector to work towards its eradication.

Participation in industry benchmarking reports, as well as training sessions and webinars provided by the NGO sector designed to foster a common understanding of the risks and expectations of our stakeholders, has contributed to our efforts to manage vulnerabilities in our supply chain effectively. Likewise, increasing expectations from our wholesale and concession partners has also helped us to identify where to prioritise efforts to ensure our approach is consistent with industry standards.

During the reporting period, we also maintained the following strategic partnerships:

Partner	Purpose	Risk/Indicator Addressed
RMG Sustainability Council (RSC) (formerly the Bangladesh Fire and Safety Accord)	Forever New has been a member of the Bangladesh Fire and Safety Accord (now RMG Sustainability Council or 'RSC') since 2013. Our factories in Bangladesh remain members of the RSC.	Safe working conditions
Better Cotton Initiative (BCI)	During the reporting period, we continued our membership of the Better Cotton Initiative. Our aim is to have 100% of our cotton Sourced from more sustainable sources including BCI and Global Organic Textile Standard (GOTS).	Forced labour in the raw materials and processing tiers of our product supply chain
Responsible Sourcing Network	Forever New is signatory to the Company Pledge Against Forced Labor in the Cotton Sector of Uzbekistan. As a signatory to this pledge, we are stating our firm opposition to the use of forced labour in Uzbekistan's cotton production and require all suppliers to comply with this requirement.	Forced labour in the raw materials tier of our product supply chain

Non-merchandise supply chain

Understanding the diverse nature of risks across our non-merchandise supply chain and developing a risk mitigation strategy is a key priority as we also look to develop a standardised approach to procurement across all regions.

Building on our initial risk assessment identifying high risk supplier categories, we will further map risks based on prevailing indicators specific to each region.

An analysis of spend data, existing contractual levers and relationship duration will help to inform leverage and prioritise engagement.

In 2022, we will commence the development and rollout of a supplier questionnaire to be issued to high-risk priority suppliers.

Our updated Supplier Code of Conduct which has been extended to non-merchandise suppliers will also be rolled out.

Assessing the Effectiveness of Our Actions

We recognize that an effective governance structure is vital to manage modern slavery risks and ensure we clearly convey that modern slavery will not be tolerated in our business.

Governance

As previously mentioned, we have established a Forever New modern slavery working group which is responsible for the preparation of this statement and ongoing compliance initiatives. After each statement, we will conduct a review to assess the effectiveness of the working group and to ensure that an appropriate range of participants are members of the group.

The modern slavery working group reports to the Audit and Risk Committee. The Charter of the Audit and Risk Committee has been revised to include oversight of the framework and reporting process to identify and address modern slavery risks; and approval of modern slavery statements prior to Board approval. Modern slavery is also now a standing agenda item in the Audit and Risk Committee Charter.

Ethical Sourcing Programme Compliance

Of the 59 audits we conducted during the reporting period, we oversaw the closure of 50% of non-compliances raised during those audits within the same period. The most prevalent findings related to working hours, social insurance payments and safety. We recognise that Covid-19 has had an unfortunate impact on our social audit program. Audits which have been delayed as a result of Covid-19 have been rescheduled and barring any unforeseen circumstances, will be conducted by end of 2021.

During the reporting period, we did not terminate any factory due to non-compliance with our ethical sourcing requirements.

Grievance Mechanisms

No claims of reportable conduct were raised through our Whistleblower helpline during the reporting period.

Capacity Building

Members of our buying and management team received Modern Slavery and Responsible Purchasing training.

Training of further departments at our Head Office planned for the second half of the reporting period was hampered due to Covid-19 and has been re-scheduled to take place in early 2022.

Stakeholder Assessment

NGO benchmarking forms an important tool from which to assess our actions and understand industry best practice. Throughout the reporting period, we have engaged and taken part in industry reports focused on human rights and worker welfare. We view participation in these assessments as useful opportunities for continuous improvement and impact analysis and continue to welcome constructive feedback from our industry peers and stakeholders.

We remain committed to transparency as we progress our strategic objectives and mitigate risks to those most vulnerable in our supply chain and operations.





Consultation With Controlled Entities

Forever New has adopted a robust, centralised approach to address modern slavery risks across its business.

ADT Group Holdings Pty Ltd (The parent company of Forever New Clothing UK Limited) developed this statement in consultation with Forever New Clothing UK Limited, a reporting entity under the Modern Slavery Act. Each subsidiary operates under a common governance framework overseen centrally by the board of ADT Group Holdings Pty Ltd.

The director of Forever New Clothing UK Limited reports directly to the CEO of ADT Group Holdings Ltd.

All controlled entities operate within the same sector or in a supporting role.

In preparing this statement, input was sought from key management personnel of Forever New Clothing Pty Ltd from central functions including production, finance, operations, human resources, legal and logistics, which was co-ordinated and overseen by the modern slavery working group. From there, modern slavery risks were identified and plans devised to address those risks. This statement is the result of that work.

The Audit and Risk Committee of ADT Group Holdings Pty Ltd reviewed and approved this statement before it was approved by the respective boards of ADT Group Holdings Pty Ltd and sole director of Forever New Clothing UK Limited.

Future Priorities

Looking ahead, our focus will be to implement our key initiatives and review the results of those initiatives to ensure our governance program is capable of identifying modern slavery.

Due diligence and risk management of our non-merchandise supply chain will be a key focus in the broadening of our overall risk governance.

Our focus for the next reporting period in 2021 – 2022 includes the following items:

Governance

- ongoing development of our cross functional modern slavery working group
- commence roll out of Merchandise Supply Terms, new Purchase Order template and updated supplier policy suite;
- roll out our supplier questionnaire to suppliers and analyse those results
- continue the development of our risk register in order to prioritise due diligence efforts and map against audit findings; and
- translation of the Forever New Supplier Code of Conduct in additional languages to aid compliance.

Capacity Building

- extend Modern Slavery training to Head Office staff and key staff overseeing regional operations.

Access To Remedies

- continue to explore independent and effective grievance mechanisms for strategic suppliers, and publicise our Whistleblower Policy to stakeholders.

Traceability

- map high risk non-merchandise suppliers;
- commence due diligence on third party labour hire relationships
- Initially planned for this reporting period, however delayed following the impact of Covid-19, further mapping of Tier Two suppliers will continue in 2022 so we can gain greater understanding of the profile of our production base and identify if these facilities have undergone social assessments and audits.



FOREVER NEW

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