

# Modern Slavery Statement

2024

FOREVER NEW



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# Introduction

Forever New recognises the importance of eradicating modern slavery, an issue that affects both the global apparel industry and families alike. This statement represents our commitment to fair and safe working conditions throughout our supply chains and operations.

As part of our efforts to identify and address modern slavery risks in our business, Forever New has recently undertaken the following activities:

1. **Introduction of audits of select Tier 2 suppliers.**
2. **Commencement of Worker Sentiment Surveys.**
3. **Use of Social and Labor Convergence Program (SLCP) assessments to assess against Forever New's existing compliance requirements.**
4. **Launched an ethics hotline in all Tier 1 factories in Vietnam.**
5. **Ongoing commitment / compliance with Forever New's social audit programme.**

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 2023 – 30 June 2024 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 sole director of Forever New Clothing UK Limited on 05 December 2024.



**Tarun Goenka**

Director

Forever New Clothing UK Limited



# Our Structure, Operations and Supply Chains

Established in Melbourne, Australia in 2006, Forever New is a successful womenswear apparel and accessories brand which is sold throughout the world.

## 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 UK Limited, the primary operating entity in the United Kingdom.

The Board has delegated some of its responsibilities to the Audit and Risk Committee, including oversight of 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 compliance obligations. Our Sustainability and Social Compliance Specialist is a dedicated resource who is responsible for the day to day management of all ethical sourcing activities and initiatives within Forever New.

Our structure remains unchanged from previous statements.

## OUR OPERATIONS

Forever New commenced in 2006 and its head office is 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'.
- 'Ever New'; and
- 'Ever New Curve'.

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' or 'Ever New Curve' brands in USA, Canada and the Philippines.

Forever New is a global omni-channel business directly selling its product ranges via the following channels during the reporting period:

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



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); and sourcing offices in Hangzhou, Guangzhou and Qingdao (China).

Globally, we directly employ approximately 2,275 people with a small number of staff engaged on a contract basis. In Australia, where our head office and majority of stores are located, we directly employ approximately 1,160 people.

Our operations consist of design, retail, corporate, customer service and warehouse functions.

Forever New's in-house design team based in Melbourne, Australia designs product ranges for both the Northern and Southern Hemisphere markets which are manufactured by third parties overseas. Forever New does not itself manufacture any goods. A small select range of accessories are now also designed in South Africa.

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 centre in Australia distributes merchandise to our store networks and fulfills online orders. Third party logistics and warehouse service providers are used in New Zealand, Canada, Middle East, USA, South Africa, Singapore and the United Kingdom. During this calendar year, we started the progress of closing our Indian warehouse to move to a third party service provider in Haryana.

In Australia, our operations comprise 77 standalone stores and 75 concession stores as at 30 June 2024.

During the reporting period, our operations in the United Kingdom and European Union comprised 1 standalone store; and 31 retail concession stores; with 63 employees in operational and support roles.

As mentioned above, in October 2023, Forever New announced the formation of a joint venture with Apparel Group to operate free-standing retail stores throughout the Middle East and sell its products online. As at the end of this reporting period, the joint venture has opened 3 stores in Kuwait and one store in Qatar, with 21 employees employed by the joint venture. The joint venture uses a third party logistics and warehouse service provider.

## OUR OPERATIONS

**24 Countries**

**182 Physical Stores**  
WORLDWIDE

**270 Concessions**  
STORES-IN-STORES

**2200+ Employees**  
WORLDWIDE

## OUR SUPPLY CHAIN

### Non-Merchandise Suppliers (goods or services not for sale)

Forever New works with over 1000 non-merchandise suppliers across more than 30 categories globally. A non-merchandise supplier is a supplier that Forever New procures goods or services from not for sale, predominately procured to support operations of our business. Examples of categories include landlords, freight & shipping, information technology, retail fit outs and marketing.

### Merchandise Suppliers (goods for resale)

Forever New merchandise is predominantly produced in China, where production volume accounts for approximately 91%. Vietnam is the second largest, approximately 7%, balance is produced in India, Bangladesh, and Turkey.

Forever New predominately sources direct, with a limited range of products via agents, being less than 1% of total production volume.

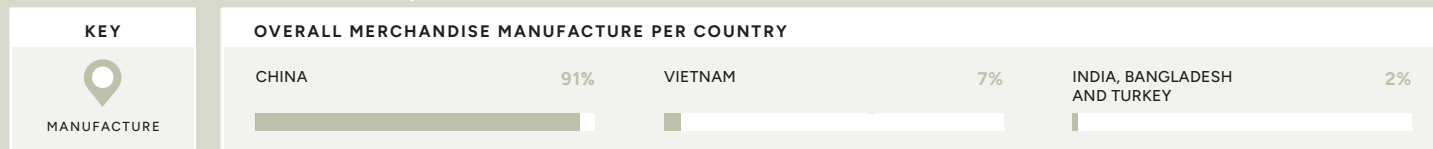
In this reporting period, we worked with 115 suppliers.

Forever New regularly captures numbers on known vulnerable working groups in our supply chain through our social audit program. Across our Tier 1 supply chain, there are around 18,900 workers, of which 19% are domestic migrant workers and 66% are women. There were no international migrant workers recorded in our Tier 1 supply chain this reporting period.

An international migrant worker is defined as a person who is working on a temporary basis in a country of which they are not a national or permanent resident. Similarly, a domestic migrant worker is a person who has moved to another in-country region on a temporary basis to work.



## OUR SUPPLIER MAP





# Tier Definition

Forever New define our supply chain through five tiers to reflect the complexity of the apparel industry. Each tier has a different level and type of inherent risks and challenges, often linked to visibility. By understanding these risks and the nature of the relationship between Forever New to each tier allows us to be more targeted in our compliance initiatives. Please refer to page 14 to read more about our tracing initiatives.

Each tier and nature of our relationship is explained as follows:



## TIER 1

### STITCHING, ASSEMBLY AND KNITTING

Tier 1 suppliers include manufacturers, sub-contractors, and agents. Forever New has direct contact with Tier 1 suppliers, with the relationship governed by our Merchandise Supply Terms. The country-of-origin statement on our care label refers to location of the relevant Tier 1 manufacturing facility. Forever New has traced all of its Tier 1 suppliers. Any sub-contracting by a Tier 1 supplier requires Forever New's prior written approval. Our compliance team reviews any requests to commence sub-contracting to ensure Forever New can assess any modern slavery or other ethical supply risks before approving any sub-contracting arrangement.



## TIER 2

### DYEING, PRINTING AND EMBROIDERY

Tier 2 suppliers work with finishing untreated fabric rolls and works with dyeing, printing, and embroidery. This tier is not always present in the supply chain as some Tier 1 suppliers also handle material production. Forever New does not necessarily have any direct legal ties to Tier 2 suppliers.



## TIER 3

### FABRIC MILLS

Tier 3 suppliers make untreated fabric rolls from yarn through weaving and knitting. Forever New has direct contact with some Tier 3 suppliers, with the relationship governed by our Merchandise Supply Terms.



## TIER 4

### YARN MILLS

Tier 4 suppliers spin yarn from raw material. An example is cotton ginning and spinning to create cotton yarn. Forever New has limited to no contact with Tier 4 suppliers and no contractual ties with Tier 4 suppliers.



## TIER 5

### RAW MATERIAL PRODUCTION

Tier 5 refers to production of raw material, including but not limited to farms and forests who grow our cotton and viscose. This stage also includes facilities producing synthetics from fossil fuelled based sources such as polyester. Forever New does not have any direct contact or contractual ties with Tier 5 suppliers.

## Forever New Conscious

Forever New Conscious is Forever New's ethical supply and sustainability strategy. The strategy consists of five pillars of change, to ensure a holistic approach. Forever New Conscious reflects our commitment to uphold the rights of workers in our supply chain, minimise our environmental footprint and assist us in driving positive change for our stakeholders. All initiatives and actions outlined in this report also forms part of our Forever New Conscious strategy.



Further details about Forever New Conscious are available on our website.





# Identifying Risks of Modern Slavery

Identification of areas of risk in our business is the crucial first step towards addressing and remediating any instances of modern slavery.

## RISKS IN OUR OPERATIONS

In Australia, New Zealand, Canada, South Africa, India, United Kingdom, and Singapore, our assessment indicates that the risk of modern slavery within our retail and head office operations remains low, in alignment with our previous statements. Similarly, our operations in the United Kingdom are deemed to present a low risk of modern slavery, primarily attributed to the stringent control and influence exerted by Forever New. In line with the last reporting period, Forever New continues to engage two external companies to provide remote workers on an occasional basis for selected functions at our Melbourne head office.

Both third-party entities have executed agreements explicitly addressing and mitigating modern slavery risks, and the risk is deemed low.

In our previous statements, we identified our distribution centres and franchise operations as areas requiring further due diligence to understand any potential modern slavery risks. In Australia, most of our distribution centre workforce continues to be directly employed by Forever New, assuring a low risk of modern slavery. We presently engage a labour hire company in our Australian distribution centre which has signed an agreement containing our modern slavery compliance clause. In our Indian distribution centre, a small number of staff are engaged through third parties, ensuring compliance with Indian labour laws, including Provident Funds laws and Employees State Insurance, thereby minimizing the risk of modern slavery. This calendar year, the Indian distribution centre moved to a third-party logistic and warehouse provider. More information will be outlined in our next statement.





Our contracts with third-party logistics and warehouse service providers in New Zealand and the United Kingdom include our modern slavery clause, and we are progressively extending this clause to all relevant parties within our operations. Last reporting period, a Self-Assessment Questionnaire (**SAQ**) was dispatched to all third-party logistics and warehouse providers to enhance our understanding of existing controls. There were no issues identified in the SAQs that required further due diligence.

In our last report, we committed to further due diligence and examination of our labour hire service providers and franchise operations in the Philippines and Indonesia. Both franchise partners filled our SAQ, and the results and perceived risks are discussed later in this statement. Further due diligence and examination of our labour hire service providers will commence in the next financial year.

As outlined in this statement, Forever New operates in 270 department stores through concession agreements (store-in-stores). Concession staff situated in department stores are predominantly employed directly by Forever New and operate under Forever New contracts. The utilization of recruitment agencies for concession staff is infrequent and generally confined to short-term engagements, such as seasonal sales

support in specific markets. In instances where department stores provide staffing, salary costs are assumed by Forever New. Our assessment concludes that the risk of modern slavery associated with concession staff, whether directly employed by Forever New or by the department store, is deemed low.

## RISKS IN OUR SUPPLY CHAIN

### Non-merchandise suppliers

As a global retailer, we work with a diverse range of suppliers across more than 30 categories, each with its own unique risk factors. These range from the use of third party labour, young or migrant workers, our partners having a lack of visibility across their own network of suppliers or a lack of understanding of what is meant by modern slavery and how the risks may be prevalent to them.

The risks will be increased when one or more factors are combined with a higher geographical risk: for instance, a business based in a country where there is a lower level of governance to employee rights and/or immigration. For example, in countries such as the Philippines and Indonesia (where Forever New has appointed franchise partners) there is an elevated risk due to different standards in labour laws compared to Australia. As the brand owner in this case, we

are one step removed from their non merchandise suppliers, making monitoring more complicated.

Even in countries with higher regulation such as Australia, Canada or the UK, there are elevated risks across business such as warehousing and supply chain due to the nature of workforce required and the occasional use of third party labour.

### Mercandise suppliers

Our Risk Register utilises third party indices and benchmarks, such as the International Labour Organization (**ILO**) and Walk Free GSI (**Global Slavery Index**), the US Govt List of Goods Produced in Child or Forced Labour and TIP reports to evaluate risks in our merchandise and non-merchandise supply chains as well as our operations. The Risk Register is populated with data based from third-party indices, presenting a risk scorecard per country in which Forever New operates. The Risk Register continues to assist us to:

- understand and determine our salient risks across all regions by country, industry, 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.

We have identified the following categories of workers as the most vulnerable in the apparel industry which remains unchanged since our first modern slavery statement in FY19/20:

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

Also unchanged from previous reporting periods, our risk assessment has identified the following potential modern slavery risks as most salient to the apparel industry, these include but are not limited to:

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



**INDUSTRY RISK**

The apparel industry has a complex supply chain, with each supply chain tier facing different levels and types of inherent risk, often linked to the level

of visibility. This, combined with high levels of low-cost production, prevalent use of low-skilled labour and short-term contracts, makes the apparel industry at risk of engaging in modern slavery.

Modern slavery does not necessarily occur in isolation - it could be driven by site specific risk prevalent in the apparel industry. We recognise the following risks in the apparel industry as key indicators for the potential of modern slavery to occur:

- unauthorised subcontracting.
- excessive overtime.
- the use of migrant, low skilled workers.
- lack of freedom of association.
- temporary labour contracts.
- lack of access to effective grievance mechanisms; and
- gender inequality and gender-based violence in the supply chain.



**COUNTRY RISK**

The inherent level of risk and challenges in the apparel industry can differ between geographical areas and tiers of the supply chain. Countries with

insufficient government regulation or enforcement and high socio-economic inequalities, can increase the risk of modern slavery. Risks identified are managed through our Ethical Supply Framework and other initiatives outlined in this statement.

We use the Risk Register to understand a country's risk profile. Should we find any salient risk present in a potential new market, we may decide to not source from this country or region or we may introduce targeted initiatives to manage identified risks.



**MATERIAL RISK**

Some materials commonly used in the apparel supply chain are identified as potentially a higher risk of being linked to modern slavery. One example is cotton, which is listed as the commodity most linked to child and forced labour on the US Department list of Goods Made with Forced Labor. Cotton picking and manufacturing often use low skilled workers, already identified as a vulnerable working group. Most companies do not have visibility of Tiers 4 and 5 in the supply chain. The lack of brand presence and risk mitigation in this tier can increase the risk of modern slavery and be more difficult to identify.

# Actions Taken to Address Modern Slavery Risks

We have adopted a broad range of initiatives across our business to address modern slavery risks in our operations and supply chains.

## 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 and continues to work effectively.

The Forever New cross functional and regional modern slavery working group continues to report to the Audit and Risk Committee as a standing agenda item. A verbal update focussing on the group's activities and progress is given to each meeting of the Audit and Risk Committee. During the reporting period, the modern slavery working group was chaired by our Chief Operating Officer. The working group is primarily responsible for ensuring that key actions and future priorities identified in our modern slavery statements are undertaken, monitored

and completed as the case may be; together with preparing our annual statements as required under Australian, United Kingdom and Canadian law.

## OPERATIONS

Our policy framework continues to be the cornerstone of our operations, establishing minimum requirements for our team members and suppliers, as applicable. Those policies include:

- Forever New Supplier Code of Conduct.
- Anti-Discrimination and Equal Employment Opportunity Policy; and
- Diversity, Equality and Inclusion Policy.

See page 19 for a full list of our policies.

Our whistleblower policy and independent hotline continues to form an important role in bringing any issues of concern to our attention





so they can be investigated and resolved in an expeditious manner. Issues can be raised via the hotline anonymously if requested, and in multiple languages or formats to increase accessibility.

In respect to our concession arrangements, we will continue to work and collaborate with department stores to address modern slavery risks aligning with our contractual obligations.

We have also distributed our Supplier Assessment Questionnaire (**SAQ**) to nominated non-merchandise suppliers to learn more about their efforts to identify any risks of modern slavery in their businesses. Further details about the findings from the SAQs are discussed later in this statement.

## RESOURCING

Forever New's dedicated in-country representatives continue to be the face of our compliance program with merchandise suppliers. They are primarily responsible for oversight and management of our on-boarding processes with merchandise suppliers. They also conduct audit programs, site actions and oversee any necessary or desirable corrective actions for our business.

As mentioned earlier, our modern slavery working group and dedicated Sustainability and Social Compliance Specialist respectively continue to oversee modern slavery compliance and reporting obligations; and all ethical sourcing and environmental initiatives for Forever New.

## VISIBILITY AND TRACEABILITY

### Merchandise Supply Chain

The visibility of our supply chain is vital to identify any modern slavery risks and managing their impacts should they be detected. As previously discussed, we know that modern slavery risks exist beyond Tier 1 suppliers, so further mapping of our supply chain continues to be a main priority which we recognise as being an ongoing requirement. We have full visibility of our Tier 1 factory base and have traced more than 80% of our Tier 3 and their respective dyeing, printing and embroidery mills. During this reporting period, we have also traced and further nominated suppliers for key trim items across apparel. As outlined in our previous statements, Forever New requires all new merchandise and fabric suppliers to complete a Self-Assessment-Questionnaire (**SAQ**) at onboarding stage. The SAQ allows us to understand their business, including the likelihood of modern slavery risks

and identify if there are policies and processes in place to address and/or mitigate these risks. Furthermore, the SAQ is useful to further identify dyeing, printing, and embroidery mills (**Tier 2**) used by our Tier 3 fabric mills. The SAQ captures data on the following topics:

- Factory profile.
- Management systems and training.
- Recruitment procedures and worker rights.
- Use of Child labour and young workers.
- Gender inequality and discrimination.
- Subcontracting.
- Freedom of association and collective bargaining.
- Grievance mechanisms; and
- Water and waste management.

Through these SAQs we have learnt that most facilities beyond Tier 1 have some environmental assessments and/or certifications, but lacked social assessments, with only a small number of facilities with a valid social audit. This is quite common, as brands don't always have any direct or legal ties to dyeing, printing or embroidery mills.

In this reporting period, one new area of focus has been to review and validate these social assessments in line with Forever New's Code of Conduct and

audit program. Most of these social assessments are verified HIGG 's Facility Social & Labor Module **(FSLM)** assessments, which follows the Social & Labor Convergence Program **(SLCP)** framework. The SLCP framework was developed to reduce audit fatigue and aims to improve working conditions in the supply chain. Through our tracing initiatives, we know that many of our fabric mills **(Tier 3)** work with the same dyeing and printing mills **(Tier 2)**. Forever New identified two dyeing and printing mills in China where our production volume was significant and so decided to send our own compliance team to conduct a social audit. The social audits followed Forever New's social audit program, further outlined in this statement on p.16 and onwards.

### **Material Visibility and Traceability**

As previously outlined, some materials and fibres have a higher chance of being linked to modern slavery, one reason being the lack of brand presence and traceability beyond Tier 1. One of our key strategies to enhance the visibility of our supply chain and address risks linked to sourcing of material is to increase our uptake of certified fibres and materials. Independent certified standards assist us to verify environmental, chemical, and social practices down to the raw material stage. Our preference, where possible, is to source certified fibres and fabrics.

Forever New's Responsible Sourcing and Fibre Policy helps us to strengthen our due diligence measures to mitigate risks in this area of our supply chain. This policy requires suppliers to conduct due diligence at the materials processing level to ensure materials do not originate from regions of high risk associated with:

- conflict or war.
- the worst forms of child labor.
- forced labour and human trafficking.
- gross human rights violations (such as widespread sexual violence), or
- other reasonably objective high-risk activities, including severe health and safety risks and negative environmental impacts.

### **Cotton**

Forever New is a signatory to the Turkmen Cotton Pledge, stating our firm opposition to the use of forced labour in the harvest of Turkmen cotton. In line with our commitment to source 100% more sustainable cotton, we continue to support Better Cotton's mission for more sustainable cotton farming.

## **SUPPLIER ENGAGEMENT**

### **Ethical Supply Framework**

We take pride in our strong relationships with our supply base and value honesty and transparency in our association. We will not accept exploitation or mistreatment of any type within our supply base and require suppliers' full commitment to our ethical sourcing values and policies.

Our sourcing values are defined in our ethical supply framework and represent our minimum standards for compliance. Our ethical supply framework consists of:

- Forever New Supplier Code of Conduct and Ethical Supply policies.
- Social Audit and Corrective Action Plan Remediation program; and
- Factory Management training.

### **New suppliers**

Forever New employ dedicated in-house compliance teams that conduct physical site visits in our primary sourcing countries before new suppliers are approved for production. Conditions are reviewed against the standards set out in the Forever New Supplier Code of Conduct, all relevant laws and universal principles for human rights. Where we are unable

to send our in-house team, suppliers must provide a reputable third-party audit conducted in the past 12 months for assessment by Forever New against our ethical supply framework. Our compliance team also assesses the validity of this audit.

Suppliers found to have zero-tolerances (**ZTs**) are not approved for production and all ZTs are required to be remediated before the Supplier is onboarded as a supplier to Forever New. In 2025, we are expanding this to also apply to all critical-failure-points (**CFPs**).

### Social Audit Program

Forever New's auditors are highly experienced and qualified to conduct audits against BSCI, SA 8000, ICS, ERSA and SMETA methodologies. Forever New's own audit program follows the SMETA methodology. Forever New aims to audit all factories annually. Audits generally include an opening meeting with factory management and worker or union representative, a factory tour, a review of relevant factory documents and policies, confidential and private group and single interviews and finally a closing meeting with factory management and worker/union representatives.

### Supplier Compliance Rating

Upon completion of a social audit, each factory will receive a rating. The rating follows a traffic light system, ranging from 'green' to 'dark red'. The factory rating is determined by audit performance, specifically number of non-compliances identified and their severity. Once an area of non-compliance has been remediated, the rating will be adjusted accordingly. From 2025, suppliers rated 'green' will move audit frequency from 12 to 18 months to minimise the risk of 'audit fatigue'.

### Corrective Action Plans and Remediation

At each audit closing meeting, audit findings will be discussed, and a preliminary corrective action plan (**CAP**) will be issued. As outlined in the 'Supplier Compliance Rating Table' table below, Forever New differentiate non-compliances based on their severity, ranging from 'minor non-compliance' to 'Zero-tolerance'. The nature of the non-compliance also determines remediation timelines, ranging from '120 days' to 'immediate' and verification method between 'desktop review' and 'on-site verification'.

Forever New expects all suppliers to work towards continuous improvement and prioritise remediation and further prevent identified non-compliances.

### SUPPLIER COMPLIANCE RATING TABLE

RATING	RATING REQUIREMENT
Red Critical	Factory has one or more Zero Tolerance findings
Red	Factory has one or more Critical Failure Point findings
Amber	Factory has one or more Major Non-Compliance findings
Yellow	Factory has one or more Minor Non-Compliance findings
Green	Factory has some Best Practices in place that go beyond the minimum standards



# ON-BOARDING AND SOCIAL AUDIT PROGRAM

## Training

Forever New aims to provide factory management training annually. Factory management training is delivered by Forever New's in-country ethical compliance team and is developed to increase awareness around Forever New's Code of Conduct and local law.

Training is delivered face to face and is arranged separately to the annual social audit.



## POLICY AND CONTRACTUAL PROVISIONS - SUPPLY CHAIN

Our Supplier policy suite to which all suppliers must comply (where applicable) 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 with suppliers.

The Forever New Supplier Code of Conduct takes account of the United Nations Declaration of Human Rights, in addition to the Ethical Trading Initiative (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 local languages for our main sourcing countries, being China and Vietnam. Suppliers' compliance with our Code of Conduct and policy suite is monitored through our social audit program.

All policies are issued to suppliers during the on-boarding phase and are available on our social compliance software. Employees have access to the policies through shared company folders, and selected policies are available on our website.

The Forever New Merchandise Supply Terms continue to govern the supply of merchandise to Forever New. These Supply Terms require suppliers to comply with the Forever New Code of Conduct and ethical sourcing policies and stipulate modern slavery obligations to be met by our suppliers.

If a supplier reports any instances of modern slavery in their operations, Forever New will work with that supplier to resolve the issue, acting in the best interests of the victims concerned and to address the underlying issues giving rise to the occurrence of modern slavery. It is not Forever New's policy to immediately terminate all agreements with a supplier in this instance, as we recognise this is likely to be counter-productive to suppliers disclosing to us any instances of modern slavery in their operations. However, if after reasonable attempts to work with a supplier to address modern slavery risks are unsuccessful, the supplier will be in breach of the Merchandise Supply Terms and so Forever New will terminate all supply arrangements. This position remains unchanged from previous statements. In this reporting period, Forever New has not terminated any merchandise suppliers for these reasons.



POLICY	PURPOSE
Forever New Supplier Code of Conduct	Outlines our minimum standards for compliance and ethical sourcing
Young Worker and Child Labour Policy	Intended to ensure all organisations involved in the manufacture or supply of goods and services to Forever New understand their responsibilities in preventing instances of child labour and where suspected or identified, the remediation processes they must undertake. In addition, this policy outlines our expectations in relation to the protection of young workers and compliance with ILO conventions on child labour as well as applicable laws and regulations.
Forced Labour Policy	Intended to ensure all organisations involved in the manufacture and supply of goods and services to Forever New understand their responsibilities in preventing forced labour and where suspected or identified, the remediation processes they must undertake.
Living Wage Commitment	Forever New is committed to providing living wages for all workers within our supply chain, a requirement which forms part of our Code of Conduct, agreed to by all suppliers.
Responsible Sourcing and Purchasing Policy	Outlines our approach to responsible purchasing practices and is supported by Responsible Sourcing & Purchasing Guidelines.
Ban on Cotton Harvested from Uzbekistan and Turkmenistan	As a signatory to these pledges, we are stating our firm opposition to the use of child and adult forced labour in the harvest of cotton.
Environmental Protection	All suppliers are required to comply with relevant environmental laws and regulations, including obtaining necessary permits and licences. Environmental Management Systems, which consider water treatment, waste reduction and disposal, air pollution, carbon emissions and the management of chemicals must be maintained.
Gender Equality in the Supply Chain Policy	Outlines Forever New's commitment and minimum requirements to gender equality in the supply chain.
Responsible Fibre & Sourcing Policy	Outlines Forever New's preferred materials and material specific requirements in a conscious effort to minimise the environmental impact our material choices have.
Animal Welfare Policy	Outlines our expectations that all animals within the Forever New supply chain are treated humanely and with respect and our conditions of supply of animal derived materials.
Chemical Management and Restricted Substance List (RSL)	Details the chemical restriction limits for Apparel, Accessories and Footwear.
Packaging Policy	Outlines Forever New's preferred materials and material specific requirements for packaging to ensure that the sourcing of raw materials used in our packaging is procured in a responsible and sustainable way.



## WORKER VOICE AND ACCESS TO REMEDY

### Grievance Mechanisms

A social audit alone does not provide a full understanding or insight into actual working conditions. The provision of a range of channels for workers to raise concerns is vital to ensure workers have effective and legitimate access to remedies, which they also feel comfortable and confident to use. Forever New continues to explore different channels to further assess and address any potential modern slavery risks in our Tier 1 supply chain. During this reporting period, we launched an ethics hotline in all Tier 1 factories in Vietnam. The hotline is promoted through posters in multiple visible places at each factory. The posters outline Forever New's Code of Conduct, what can be reported and how to make a report.

Reports can be made anonymously, without fear of retaliation, and identities will be kept confidential unless identification is required by law. Any grievances or breaches of our Code of Conduct are handled directly by Forever New's ethical sourcing team and relevant in-country representatives. Reports can be submitted in local language.

In China, we continue to test the effectiveness

of existing grievance mechanisms and other available channels in our Tier 1 factories.

Forever New is a member of the RMG Sustainability Council (**RSC**). As such, all factories in Bangladesh have a health and safety complaints mechanism in place where workers can raise safety concerns in a confidential manner, independent from the factory. This complaints mechanism will also pass on any non-health and safety raised through this channel to brand owners for investigation and response.

### Worker Sentiment Surveys - Pilot Project

In this reporting period, Forever New engaged LRQA (formerly known as Elevate) to issue Worker Sentiment Surveys (**WSS**) to key suppliers' factories in China as a part of a pilot project.

Worker Sentiment Surveys are a useful tool to gain insight into worker engagement, well-being and help identify areas for workplace improvement. WSS are different to social audits, in that they provide insight solely from the workers' perspective. The aim of the pilot was to allow workers a safe space to express concerns and viewpoints on workplace issues and see how these compared to data captured through social audits.

The WSS consists of a range of questions across four pillars: Labour, Health & Safety, Environment and Management Systems. Forever New chose to deploy the survey remotely, allowing workers to provide insight and feedback anonymously and from the privacy of their own home if they wished. All surveys were issued in local language and easily accessed through QR codes on posters in visible locations at each factory. To assist in the introduction of WSS in factories, LRQA engaged with management and our auditing team visited each factory to answer questions. The survey was open to workers for approximately 14 days.

### Whistleblowing Policy

As mentioned in the introduction to our statement, one of our key initiatives during this reporting period was to promote the existence and function of our whistleblower policy and accompanying hotline with employees in our head office, distribution centres and merchandise suppliers. Our hotline is externally managed to allow reports to be made on a confidential or anonymous basis (if requested) and can accept reports in multiple languages. To make it as easy as possible for reports to be made, we have also introduced toll free numbers for use in Canada, United Kingdom and New Zealand.

## INTERNAL CAPACITY BUILDING

### Responsible Sourcing and Purchasing

Forever New remains committed to the principles of ethical sourcing and recognise the shared responsibility with our supply chain partners to ensure the sourcing and production of our products uphold the rights of all workers.

As previously mentioned, Forever New's Responsible Sourcing and Purchasing Policy and supporting guidelines ensure our team members make purchasing decisions that enables and supports positive and fair working conditions. This Policy addresses factory capacity, forecasting and lead times, cost and payment terms, purchase order efficiencies and responsible exit guidelines. A copy of our policy is available on our website. Daily responsibility for adherence with the Responsible Purchasing and Sourcing guidelines rest with relevant Managers and overall accountability for compliance rests with each Head of Department.

### Training

Forever New is committed to equipping our team members with essential knowledge about modern slavery. Modern Slavery training is an integral

component of Forever New's compliance program for all employees, including our international markets. To achieve this, we have developed a comprehensive, interactive training module for employees that delivers an engaging and impactful learning experience. To ensure both completion and comprehension of the module, there are embedded assessments to reinforce key concepts and verify knowledge retention throughout the learning process.

This training forms a mandatory part of the onboarding process of our employees. During the reporting period, we launched our in-house Modern Slavery training module to retail teams in our international markets (including Canada, Singapore, the United Kingdom, Republic of Ireland and Europe).

Our training explores the complexities of modern slavery, identifying its signs, and understanding the appropriate actions to take if they encounter it. This approach empowers our team members with the awareness and skills needed to identify and address any suspected instances of modern slavery effectively.

During this reporting period, our Learning and Development team has also designed and developed a bespoke Responsible Purchasing and Sourcing training

module which details how we embed responsible purchasing practices and the associated impact on working conditions within our supply chain. Previously, this training module was implemented by way of face-to-face training sessions with relevant team members. However, during this reporting period, we converted this training module to online format to allow greater flexibility to team members to complete the module.

A future priority will be to develop an in-depth workshop, to pair with the online module for key team members, specifically members of Buying, Design and Planning Departments.

## STAKEHOLDER ENGAGEMENT AND PARTNERSHIPS

Forever New continues to participate in industry benchmarking reports, training sessions and webinars provided by the NGO sector. Engagement with NGOs help share advice, information and experiences, foster a common understanding of the risk and the expectations from our stakeholders, which help us ensure we effectively identify, address and manage modern slavery and other ethical supply risks in our supply chain. Likewise, our wholesale and concession partners also help us identify where to prioritise efforts to ensure our approach is consistent with industry standards.

## INDUSTRY PARTNERSHIPS

PARTNER	PURPOSE	RISK/INDICATOR ADDRESSED
<b>RMG Sustainability Council (RSC)</b> (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
<b>Better Cotton</b>	During the reporting period, we continued our membership with Better Cotton . Our aim is to have 100% of our cotton sourced from more sustainable sources including Better Cotton and Global Organic Textile Standard <b>(GOTS)</b> .	Forced labour in the raw materials and processing tiers of our product supply chain
<b>Responsible Sourcing Network</b>	Forever New is signatory to the Company Pledges Against Forced Labor in the Cotton Sector of Uzbekistan and Turkmenistan. As a signatory to these pledges, we are stating our firm opposition to the use of forced labour in Uzbekistan and Turkmenistan'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

Over the past year, we have assessed the responses to our Self-Assessment Questionnaire (**SAQ**) from non-merchandise suppliers and identified a number of challenges, particularly with non-responses. Given that the SAQ is often the first point of engagement with non-merchandise suppliers regarding modern slavery, it is essential that all suppliers—regardless of their location or industry—fully understand the questions to ensure we collect the necessary data. As a result, we simplified the SAQ to improve response rates and the accuracy of responses.

Overall, fewer SAQs were sent to our non-merchandise suppliers during this reporting period, as our efforts shifted to following up non-compliance issues identified in previous assessments. We also focused our efforts on engaging businesses deemed to be higher risk (such as those in warehousing and shopfitting) that had not received the SAQ in prior years. Additionally, we expanded the SAQ to include partners in countries with greater vulnerability to modern slavery (such as our franchise partners in Indonesia and the Philippines).

Outstanding responses to SAQs from the prior reporting period were reviewed for any follow up action required. This includes any suppliers who had not returned their questionnaire by the deadline or where questions were not answered or supporting documentation not provided.





# Assessing the Effectiveness of Our Actions

Forever New continually monitors its initiatives to ensure they are relevant, easy to use and provide a gauge to identify any modern slavery risks in our business.

## GOVERNANCE

As previously mentioned, the Forever New modern slavery working group is responsible for all aspects of this statement (comprising research, information gathering, writing the statement; obtaining approvals from the Audit and Risk Committee and Board respectively; and submission of the statement with Australian Border Force) and ongoing compliance initiatives. During this reporting period, the working group was further strengthened with our Chief Operating Officer as sponsor who provided a direct line to the Executive Leadership Team and who also reported directly to the CEO. After each statement, we 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 includes 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 a standing agenda item in the Audit and Risk Committee Charter.

We believe this governance structure continues to work effectively to manage our modern slavery risks and reporting obligations.

## NON-MERCHANDISE SUPPLIERS: SAQ

As a result of our SAQs, we concluded that suppliers in countries with limited modern slavery laws required greater time and effort to gather the necessary information and documentation compared to those in countries such as Australia and the UK with existing laws to address modern slavery. This continues to be an ongoing challenge when requesting information from our franchise partners in Indonesia and the Philippines, with closer attention and effort needed in future to ensure that any modern slavery risks are



being appropriately addressed and managed. We also need to educate our partners further so they can understand modern slavery laws in greater detail.

Key findings from the SAQ responses identified the following challenges:

- 50% of respondents lacked their own ethical supply code of conduct, and 42% did not have specific modern slavery policies to address risks.
- Only 25% of respondents provided modern slavery awareness training to their own employees.
- 60% of respondents did not require their own partners to conduct any due diligence on modern slavery risks within their own operations.
- 58% of respondents identified the use of temporary workers or subcontractors as their highest risk area for modern slavery.

The responses also indicated the below key highlights:

- No reports of modern slavery breaches were received
- All respondents confirmed that workers receive a written contract in a language they understand, are paid at least minimum wage, receive pay slips, and have their right to work verified.
- All respondents reported that workers were not

required to pay deposits or recruitment fees, and no original documents (e.g., passports) were retained.

- 75% of respondents reported that employees have access to anonymous channels to raise concerns, including confidential whistleblowing lines.
- As a result of our work mentioned in our last statement highlighting the availability of independent grievance mechanisms, we are now receiving more notifications via the Whistleblower hotline.

Consistent with previous years, additional due diligence is needed to verify information provided by some suppliers. This includes clarifying responses, obtaining copies of relevant documents (e.g., internal policies), and securing evidence of actions taken to address identified risks. Despite modern slavery being explicitly addressed in our franchise agreements, we faced challenges in obtaining details from our franchisees. We believe this is likely due to modern slavery being a relatively new concept for our partners. As a result, we need to focus more closely on these markets and implement an education campaign to help our franchisees better understand modern slavery and its key indicators.

## SUPPLY CHAIN VISIBILITY AND TRACEABILITY

Many Tier 2 dyeing and printing mills Forever New works with holds SLCP assessments that have been independently verified by independent third parties. A review of the SLCPs framework and Forever New's social audit program reveals that the SLCP framework covers the same main topics as our own program such as:

- Recruitment procedures.
- Wages and benefits.
- Worker treatment
- Management processes.
- Health and safety.

As outlined previously in this report, Forever New chose to audit two dyeing and printing mills in China. A total of 7 NCs were found, ranging from minor to major. Each mill was issued a Corrective-Action-Plan (**CAP**) upon completion of audit, and 4 of these NCs were closed within the same reporting period. Both audits were announced, due to the nature of relationship, or lack thereof, as Forever New does not hold any direct relationships with dyeing or printing mills.



The audits confirmed the management processes, policies and working conditions outlined and verified in the SLCP assessments. Forever New is currently investigating how to expand our current audit program beyond Tier 1.

## ETHICAL SUPPLY FRAMEWORK – COMPLIANCE

### Social audit program

To measure the effectiveness of our social audit program, we have developed internal key performance indicators (**KPIs**) related to policy compliance, volume of social audits conducted in line with audit schedule, and corrective action plans issued and remediated including completion timeline of these.

This reporting period, a total of 71 audits were conducted. On average, 3.95 non-compliances were found at each site, ranging from minor to major. A total of 46% of all corrective-action plans issued were remediated within the same reporting period.

Non-compliance related to health & safety, social insurance and working hours continue to be the most prevalent findings, such as excessive overtime, not all workers covered by social insurance and workers not wearing sufficient/correct PPE.

Consistent with previous reporting periods, no instances of modern slavery were identified, and no suppliers were offboarded due to non-compliance.

## WORKER VOICE AND ACCESS TO REMEDY

### Grievance Mechanisms

To date, no grievances or reported breaches have been received via the ethics hotline in Vietnam. Forever New has regularly confirmed throughout the reporting period that ethics hotline posters are posted in visible places in all factories. Additionally, at annual social audits, Forever New's in-country social compliance representative has ensured that workers are aware of the ethics hotline and understand how to use it. It is worth mentioning that all factories already had well established grievance mechanisms managed by other brands at the time of implementing our ethics hotline.

In China, majority of Tier 1 factories have internally managed grievance mechanisms available to workers. The effectiveness of these channels is reviewed at annual social audits.

As mentioned previously, Forever New continues to be a member of the RMG Sustainability Council (**RSC**) in Bangladesh. Any non-health and safety complaints received by the RSC will be communicated

to the brand owner. During the reporting period, no such complaints were raised through this channel in any of the Tier 1 factories used by Forever New.

### Worker Sentiment Surveys

As previously mentioned, during this reporting period Forever New piloted Worker Sentiment Surveys (**WSS**) in some key factories. After the survey period ended, we received a summary and detailed report for each factory, together with detailed results and recommendations for improvement, where applicable. These surveys are a useful tool to compare against findings from our social audits.

In one survey, the demographics at the factory was listed as 18% international migrant workers, meanwhile our most recent audit stated there were no international migrant workers at said factory. Upon further due diligence, we confirmed with the factory directly that there were no international migrant workers, meaning this was most likely a mistake that happened in completing the survey.

At one factory, 1% of the workforce stated they had experienced sexual remarks and 2% verbal abuse. During the last audit at this factory, there was no evidence of reported instances of either, nor any findings through worker interviews or internal grievance mechanisms confirming this. This is an example

highlighting the importance providing workers channels independently from factory management to express their sentiment and concerns.

Although a low reported percentage of the workforce shared this sentiment, Forever New views these results seriously and are currently working on next steps beyond reiterating our expectations for suppliers to provide a safe and respectful workplace for its workers.

There were no additional significant results that required further due diligence.

We acknowledge there are known and documented systemic issues in the apparel supply chain where workers do not feel comfortable fully expressing their sentiment in fear of retaliation. This is one of the reasons why Forever New choose to deploy the surveys remotely, in addition to reducing survey fatigue and prevent interruption to production schedules. Likewise, we understand there is a certain risk involved with remote deployment, such as verifying the worker demographic and source, as outlined above. LRQA can detect when a survey takes less than 1 minute to complete or when 3 or 4 responses in a row have the exact same reply. There were some cases where this occurred, and the data was deemed invalid and excluded from the survey results.

With the above in mind, we are currently reviewing

the future of these surveys and considering the option between an on-site and remote deployment. It is likely that we will continue to use WSS in the next reporting period.

#### **Whistleblower Hotline**

As discussed earlier, a key initiative during this reporting period was to increase awareness of our whistleblower policy and hotline. As a result of our efforts to publicise the whistleblower hotline, we received 13 reports via the hotline during this reporting period, from within Australia and overseas. This number represents a large increase from the previous reporting period, confirming the effectiveness of this action to raise issues within Forever New. Each of these reports did not constitute whistleblower complaints as they related to general minor workplace grievances, however it is confirmation that awareness of the availability of the whistleblower hotline continues to grow. A summary of each report was provided to the Audit and Risk Committee for its review and information.

## **CAPACITY BUILDING**

### **Training**

Our modern slavery training module had an 82% completion rate of respondents across our retail market and 64% of respondents across our head office since its launch, highlighting the importance of ongoing engagement and awareness to ensure compliance and understanding across all areas of the business.

Increasing completion rates will be a strategic priority for the upcoming reporting period, with a target benchmark of 90% across both our retail and head office teams. We aim to do this by refreshing content, setting clear communications and working with leaders to track teams progress and integrate completion conversations in their weekly check-ins. Managers will be provided with monthly reporting to assist in driving completion rates.

Members of our Design, Buying, and Planning departments were assigned to complete the Responsible Purchasing training module, with a 66% completion rate achieved since its launch. This training module will be part of the onboarding program for these departments and will be reassigned annually.

Changing our Responsible Purchasing and Sourcing training format to an online module has allowed us to capture a higher head count as all relevant team

members are required to complete the training at onboarding stage, in addition to rolling out the training to all relevant existing team members.

Additionally, by issuing the training module at onboarding stage, we ensure that Forever News's Responsible Purchasing and Sourcing Policy and expectations are outlined to team members at commencement of employment with us. By delivering the training in a short and concise manner, we have further increased awareness with our team members.

### **Stakeholder Assessment**

Throughout the reporting period, Forever New has engaged with NGOs and taken part in various industry reports focusing on topics such as human rights and worker welfare, such as Baptist World Aid's annual Ethical Fashion Guide. 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.

## *Case Study*

Upon commencement of employment, Forever New aims to provide training to all key staff members on our minimum social compliance standards, policies and other management processes related to ethical supply. This training is key as many team members are in direct contact with suppliers through all phases of the buying cycle, including the period before a supplier is onboarded. By having upskilled team members on the topic of ethical supply, Forever New's modern slavery risk can be alleviated from the outset.

In this reporting period, some team members from our buying department were in contact with a potential new merchandise supplier with a particular skill set needed by our buying team. Product was subsequently developed, and the buying team were happy with the items, and engaged the sustainability and compliance team to proceed with onboarding of the supplier.

During the onboarding process, it was quickly discovered the supplier did not meet Forever New's minimum ethical requirements. The entire relationship was put on hold pending resolution of the non-compliance issue. Unfortunately, the supplier was unable to meet

our requirements presently, and the relationship did not proceed, they are however working to make the necessary changes. This case study demonstrates that our onboarding processes are effective and form a vital part of our efforts to identify and prevent any occurrence of modern slavery in our supply chains.

Traditionally, Forever New's training program has been delivered face to face, and also upon commencement of employment. Ultimately, to minimise the likelihood of the issue above arising again, we have recently decided that one training session upon commencement is not sufficient: instead, training will be provided on an annual basis with training material to be always easily accessible. A priority in the next reporting period is to develop a library of short videos/films, providing a short and concise overview of Forever New's ethical supply standards available for all employees to access.



# Consultation With Controlled Entities

Forever New continues to use a centralised and co-ordinated approach to address modern slavery risks in 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 Pty Ltd. Trading and operational activity is conducted via its subsidiaries.

Our consultation process has remained unchanged from our previous statements. 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 UK Limited. 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 Forever New Clothing UK Limited.





# Future Priorities

Forever New aims for continuous improvement in all aspects of its business, including ethical sourcing initiatives.

Our priorities for the next reporting period and beyond include the following:

- Audit beyond Tier 1: investigate how to effectively grow our current audit program
  - Increase use of unannounced audits of merchandise suppliers
  - Expand modern slavery training to team members in our offices in India, South Africa and China
  - Increase completion rates of our modern slavery training in our Australian head office and retail teams
  - Upskill internal HO staff (buying, design, production) on Forever New social compliance standards
  - Develop updated bespoke training modules for our head office and retail teams
- Educate our franchise partners and their employees on modern slavery and measures to address any risks within their own businesses
  - Expand the non-merchandise SAQ and subsequent controls to suppliers of our franchisees.
  - Engage with non-merchandise suppliers who do not currently have their own code of conduct or modern slavery training available.



