

EVER NEW

REPORT UNDER THE
*Fighting Against Forced
Labour and Child Labour
in Supply Chains Act*

FINANCIAL YEAR ENDED
30 JUNE 2023

evernew.ca



Since opening its first Canadian store in 2012, Ever New is a pre-eminent women's apparel brand, selling 'everyday glamour' with a distinctly feminine and modern aesthetic across the world. Ever New is committed to upholding the rights of workers to earn a living free from the risks of forced labour and child labour. This commitment guides and influences everything we do.

INTRODUCTION

This report describes the risks of forced labour and child labour identified in our operations and supply chains and the steps taken during this reporting period to minimize the likelihood of those risks occurring.

This report applies to the reporting period 1 July 2022 – 30 June 2023 and is submitted by Ever New Melbourne Ltd (corporation number 805301-4), a corporation incorporated under the Canada Business Corporations Act (referred to throughout this statement as 'Ever New'). Ever New's related companies are also required to submit modern slavery statements as required in Australia by the Modern Slavery Act 2018; and in the United Kingdom by the Modern Slavery Act 2015.

APPROVAL AND ATTESTATION

This report has been prepared in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act. This report was reviewed and approved by the board of Ever New Melbourne Ltd on 8 March 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



DIPENDRA GOENKA

Director and CEO, Ever New Melbourne Ltd

8 March 2024

I have authority to bind Ever New Melbourne Ltd.

OUR STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Our Structure

The Board of ADT Group Holdings Pty Ltd (ADT, an Australian company) is responsible for the overall governance, management and strategic direction of Ever New in accordance with all duties and obligations imposed by law. This includes oversight of its Supplier Code of Conduct and other ethical sourcing initiatives.

ADT is the parent company of Ever New Melbourne Ltd, our Canadian operating entity. ADT's head office is in Melbourne, Australia.

The Board of ADT has delegated some of its responsibilities to the Audit and Risk Committee, including oversight of Ever New's risk management and compliance framework. The Executive Leadership Team of ADT is responsible for the implementation and delivery of Ever New's strategy, risk management and compliance framework. Each member of the Executive Leadership Team directly reports to the Chief Executive Officer of Ever New. The General Manager of Production and Quality oversees the management of Ever New's ethical sourcing initiatives, including compliance with modern slavery compliance obligations.

Our Activities

ADT's business comprises the distribution and sale of women's apparel and related accessories under its brands:

- 'Ever New'
- 'Ever New Curve'
- 'Forever New'; and
- 'Forever New Curve'.

The brands 'Ever New' and 'Ever New Curve' are used in Canada, USA and Philippines.

Ever New is part of a global omni-channel business selling its products in 26 countries via the following channels:

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

Our subsidiaries in Canada, New Zealand, Singapore, South Africa, United Kingdom, European Union and India operate our business in those countries. ADT 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 engaged on a contract basis. In Canada, we directly employ around 151 people, with a country manager overseeing day to day operations. The country manager reports to the Group General Manager Global Retail, who is a member of the Executive Leadership Team.

Our operations consist of design, retail, corporate, customer service and warehouse functions. Our 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. Ever New does not itself manufacture any goods. All goods sold by Ever New are imported into Canada.

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. We use our own distribution centres located in Australia and India to distribute merchandise to our store networks and fulfill online orders. Ever New uses third party logistics and warehouse service providers in Canada, New Zealand, Middle East, USA, South Africa, Singapore and the United Kingdom.

In Canada, our operations comprise 9 standalone stores and 40 concession stores located within Hudson's Bay department stores as at March 2024. We aim to open more stores in Canada in due course.

OUR SUPPLY CHAIN

Merchandise Suppliers (Goods for Resale)

Our products are predominately manufactured in China, which accounts for 88% of our production volume across apparel, accessories and footwear. Vietnam continues to be our second largest production country, responsible for 11% of production volume; and the balance produced in India and Bangladesh. We mainly source directly, which enables us to have greater oversight of and interaction with, our suppliers. We only source a limited range of products via agents, being less than 1% of total production volume.

We continue our long-standing relationships with our valued suppliers. In this reporting period, we worked with 76 suppliers, across 90 factories in our tier 1 supply chain. Across our tier 1 supply chain, there are around 17,920 workers, of which 3,176 are domestic migrant workers and 63% are women. There are no international migrant workers recorded in our tier 1 supply chain.

Non-Merchandise Suppliers (Goods and Services Not For Resale)

Globally, we source non-merchandise goods and services from approximately 1,500 suppliers across various categories including cleaning, professional services, freight and logistics services, IT, security, utilities and warehousing among many others. Of these businesses, approximately 91% are based in six countries: 44% are in Australia, 29% in India 7% in Canada,

5% in the UK, 4% in South Africa and 3% in New Zealand. The remaining suppliers are based in countries including Singapore, USA, Spain, Republic of Ireland, Belgium and China.

Our Policies and Due Diligence Processes

Our policies include our Supplier Code of Conduct, which addresses forced labour risks. Our Supplier Code of Conduct, coupled with our ethical sourcing policy suite, stipulate the minimum requirements of our supplier relationships. All policies are issued to suppliers during on-boarding and are available on our social compliance software. Employees have access to policies through shared company folders, and selected policies are available on our website. The following table summarises our current policy suite:

POLICY	PURPOSE
Ever 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 Ever 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 Ever New understand their responsibilities in preventing forced labour and where suspected or identified, the remediation processes they must undertake.
Living Wage Commitment	Ever 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 Ever New's commitment and minimum requirements to gender equality in the supply chain.
Responsible Fibre & Sourcing Policy	Outlines Ever 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 Ever 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 Ever 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.

Our Merchandise Supply Terms govern the supply of merchandise to Ever New and require suppliers to comply with our Supplier Code of Conduct and ethical sourcing policies. The Merchandise Supply Terms require suppliers to:

- Warrant that they (and their own suppliers) do not engage in modern slavery
- Implement due diligence processes and training to enable them to identify and report any instances of modern slavery in their own operations
- Permit Ever New to gain access to employees, suppliers and premises to view compliance records; and
- Report any suspected instances of forced labour or child labour in their operations to Ever New.

FORCED LABOUR AND CHILD LABOUR RISKS

Risk in Our Operations

In Australia, New Zealand, Canada, South Africa, India, the EU, and Singapore, our assessment indicates that the risk of forced labour and child labour within our retail and head office operations is low, primarily attributed to the stringent control and influence exerted by Ever New. For selected functions at our Melbourne head office, ADT engages two external companies to provide remote workers on an occasional basis. Both third-party entities have executed agreements explicitly addressing and mitigating modern slavery risks.

We have 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 is directly employed, assuring a low risk of forced labour or child labour. 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 forced labour or child labour. 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. Self-Assessment Questionnaires (SAQs) have been dispatched to all third-party logistics and warehouse providers to enhance our understanding of existing controls.

Concession staff in Hudson Bay and other department stores are predominantly employed directly by Ever New and operate under Ever New employment contracts. The use of recruitment agencies for concession staff is infrequent and generally confined to short-term engagements, such as seasonal sales support. Where department stores provide staffing, salary costs are paid by Ever New. Our assessment concludes that the risk of modern slavery associated

with concession staff, whether directly employed by Ever New or by the department store, is low.

Risk in Our Supply Chain - Merchandise 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 report 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 we operate. The Risk Register assist us in:

- understanding and determining 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 acknowledge the following categories of workers as the most vulnerable in the apparel industry:

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

(A) Industry Risk

It is widely recognised that the apparel industry has one of the most complex supply chains, with each supply chain tier facing different levels and types of inherent risk, often linked to level of visibility. This, combined with high level of low-cost production, prevalent use of low-skilled labour and short-term contracts, makes the apparel industry at risk of engaging in forced labour and child labour.

Forced labour and child labour 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 forced labour and child labour 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.

(B) Country Risk

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

regulation and high socio-economic inequalities can increase the risk of forced labour and child labour. Our Risk Register helps us understand a country's risk profile.

(C) Material Risk

Some materials commonly used in the apparel supply chain are identified as a higher risk of being linked to forced labour and child labour. One example is cotton picking and manufacturing, which 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 forced labour and child labour.

Risk in Our Supply Chain - Non-Merchandise Suppliers

We utilise a broad variety of suppliers across over 30 different industries. Each of these industries operate in different environments with unique and varied risks associated to them. Over the past year we have completed a series of tasks aimed at gaining a greater understanding of compliance measures our suppliers currently have in place across their businesses. Selected suppliers were sent a detailed Self-Assessment Questionnaire (SAQ) that provided us with key information to more accurately rate the risks levels associated with forced labour and child labour across these companies.

For this reporting period SAQ's were focused by industries determined to be of a higher risk and therefore suppliers within the cleaning, warehousing, freight and logistics industries were the primary focus. This is discussed in more detail later in this report.

STEPS TAKEN TO ASSESS AND MANAGE RISKS OF FORCED LABOUR OR CHILD LABOUR

Governance

The Board, together with the Audit and Risk Committee continue to share responsibility for oversight of Ever New's risk management and compliance framework with the Executive Leadership Team responsible for its implementation and delivery. Our cross functional and regional modern slavery working group reports to the Audit and Risk Committee which receives a verbal update focussing on the group's activities and progress at each meeting. The modern slavery working group is led by our Chief Operating Officer. It is primarily responsible for ensuring that key actions and future priorities identified in our reports are undertaken, monitored and completed.

Contracts and Policies

As mentioned above, our Merchandise Supply Terms address modern slavery risks and compliance with our ethical sourcing policies; along with our pro forma

modern slavery clause which is included in contracts with key third parties.

Operations

Our policy framework mentioned above is central to our operations, setting high standards that outline expectations and responsibilities for workplace behaviours, legal compliance, anti-bribery measures, anti-corruption efforts, harassment prevention, and conflict of interest resolution.

We have extended our whistleblower processes to include our employees in the United Kingdom, Canada and New Zealand to give our team members access to an effective and independent grievance channel.

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

Resourcing

Ever New's in-country representatives are our 'eyes and ears' with merchandise suppliers. They are responsible for oversight and management of our onboarding processes; and also conduct audit programs, site actions and oversee any necessary or desirable corrective actions.

Our dedicated Sustainability and Social Compliance Specialist oversees modern slavery compliance and reporting obligations; and all ethical sourcing and environmental initiatives for our business.

Supply Chain Visibility and Traceability

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 us to verify environmental, chemical, and social practices down to the raw material stage.

The global cotton sector may present a high risk of forced labour. In the last reporting period, we introduced a Responsible Sourcing and Fibre Policy 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 labour
- 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.

We are a signatory to the Turkmen Cotton Pledge,

stating our 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

New Suppliers

Our in-country compliance teams conduct physical site visits of facilities in China, Vietnam, Bangladesh and India before a new supplier is approved. Conditions are reviewed against the standards set out in the Ever New Supplier Code of Conduct and relevant laws. For other markets where we are unable to send our in-country representatives, suppliers must provide a reputable third-party audit conducted within the past 12 months. The validity of this audit is then verified by our compliance team and assessed against our Supplier Code of Conduct.

Suppliers found to have zero-tolerance findings will not be on-boarded onto our order platform until our in-country compliance teams confirm that those findings have been remedied.

Corrective Actions Plans and Remediation

To ensure continuous improvement of workplace conditions and 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 team. Findings are graded according to their severity with resolution timeframes ranging from immediate to 120 days accordingly. Follow up audits or desktop reviews are arranged to confirm issues are remediated.

Supplier Compliance Rating

In 2022, we introduced a supplier compliance rating system. The rating follows a traffic light system, ranging from 'green' to 'dark red'. The supplier rating is determined by audit performance, number of non-compliances identified and their severity. Once a non-compliance has been remediated, the supplier rating will be adjusted accordingly.

GRIEVANCE MECHANISMS AND ACCESS TO REMEDIES

Worker Voice

The provision of a range of channels for workers to raise concerns is vital in ensuring workers have effective access to remedies which they feel comfortable using. We have commissioned an independent third-party to audit the effectiveness of internal factory grievance mechanisms. Some minor non-compliances were identified, such as no evidence found of the factory effectively communicating its grievance policy. A Corrective Action Plan (CAP) was issued where

applicable, and all non-compliances remediated within the same reporting period. Our social audit team will incorporate additional measures with our Chinese supplier base to test the effectiveness of existing grievance mechanisms as part of their annual social audits.

As members of the RMG Sustainability Council (RSC), our factories in Bangladesh already have a health and safety complaints mechanism in place where workers can confidentially raise safety concerns, independent of the factory.

Whistleblowing Policy

We have promoted our whistleblower policy and hotline with 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. We have also introduced toll free numbers for use in Canada, United Kingdom and New Zealand.

Responsible Sourcing and Purchasing

To ensure we make purchasing decisions that facilitate good working conditions, we have developed a Responsible Purchasing and Sourcing Policy. This Policy addresses factory capacity, forecasting and lead times, cost and payment terms, purchase order efficiencies and responsible exit guidelines. During this reporting period, relevant employees attended responsible purchasing training.

Stakeholder Engagement and Partnerships

Ever New continues to participate in industry benchmarking reports, training sessions and webinars provided by the NGO sector to help foster a common understanding of the risk and the expectations from our stakeholders. Likewise, increasing expectations from our wholesale and concession partners has also help us ensure our approach is consistent with industry standards.

Industry Partnerships

Ever New participates in the following industry partnerships to help address forced labour and child labour risks in its merchandise supply chain:

PARTNER	PURPOSE	RISK/INDICATOR ADDRESSED
RMG Sustainability Council (RSC) (formerly the Bangladesh Fire and Safety Accord)	Ever 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	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 (GOTS).	Forced labour in the raw materials and processing tiers of our product supply chain
Responsible Sourcing Network	Ever 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 sent our SAQ to over 75 non-merchandise vendors. The SAQ comprised of 26 questions covering a range of topics, including:

- Any modern slavery reporting obligations applicable to each supplier
- If they have their own code of conduct or modern slavery policies
- Details around training conducted and reporting procedures
- Operational processes for managing and mitigating modern slavery risks
- Agreement to comply with Ever New's Code of Conduct.

In some cases, supporting documentation was requested from vendors to corroborate responses in the SAQ outlining existing policies and practices in place. Responses to the SAQ gave an insight into how these businesses understand and manage modern slavery risks within their industries, and actions taken. Key points from the responses include:

- a low level of general awareness of modern slavery risks in their supply chain.
- Several responses indicating that there is no formal plan in place regarding actions to be taken should there be any allegations of modern slavery raised in their operations or supply chains.
- Approximately 25% of suppliers declared using

a form of migrant labour via agencies, labour brokers, and/or use outsourced labour companies

- No reported incidents or allegations regarding forced labour or child labour.

REMEDATION MEASURES & REMEDIATION OF LOSS OF INCOME

During this reporting period, we did not identify any occurrence of forced labour or child labour within our structure, activities or supply chains. If any instances of forced labour or child labour were identified in relation to our business, that remediation measures will vary depending on the circumstances of the case. In view of this, we did not need to take any remediation measures to address any loss of income for vulnerable families.

TRAINING

Modern Slavery training is an integral component of Ever New's compliance training for Australian head office employees.

Our training module contains interactive elements, with an assessment to verify completion and comprehension of the subject. Employees learn about the nuances of modern slavery, how to identify it, and the appropriate steps to take when

and if confronted with it. This training is a mandatory element of our induction and onboarding process for head office employees upon commencement, and refreshed annually for existing staff. During the reporting period, the completion rate for our head office population reached 79%, with a total of 207 courses issued. We also launched a bespoke, in-house-built training module for modern slavery to Australian and New Zealand retail teams during the reporting period. A total of 1,066 courses were issued to these employees, achieving a commendable completion rate of 70%.

We will roll out our tailored training program to key international markets, including Canada, Singapore, the United Kingdom and Europe in the next reporting period.

As mentioned previously, Ever New has enhanced its whistleblower processes to encourage reporting of any forced labour or child labour issues; and we have also translated our Supplier Code of Conduct and Merchandise Supply Terms into Chinese and Vietnamese to assist with awareness and understanding of forced labour and child labour.

Finally, selected members of our head office team attended responsible purchasing and sourcing training again this year. Metrics tracked to measure the effectiveness of the training revealed that although staff members followed the internal processes and were aware of our policy, there was still some limited awareness around the correlation of purchasing behaviour and the impact on workers and their working conditions. We will continue to conduct annual training sessions and look to implement additional workshops for key staff members.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Governance

As previously mentioned, our modern slavery working group is responsible for all aspects of this report and ongoing compliance initiatives. We conduct an annual review to assess the effectiveness of the working group and to ensure that an appropriate range of participants are members of the group.

Non-Merchandise Suppliers: SAQ

Across our non-merchandise suppliers, there is still some work to do in further highlighting the risks and educating on how modern slavery can impact different businesses. Our work to date shows a range of responses that indicate both varying levels of understanding of forced labour or child labour and documented plans and policies in place:

- many respondents do not currently require their own suppliers to conduct due diligence for forced labour or child labour within their supply chains

and operations

- approximately 25% of respondents use a form of migrant labour via agencies, labour brokers, and/or use outsourced labour companies
- many responses lacked detail
- a lack of awareness as to those areas in their operations and supply chains present the highest risk of forced labour or child labour
- Absence of policies or nominated staff to address forced labour or child labour issues and in some cases believed the issue was not applicable to them.

It is evident that those countries who do not have reporting modern slavery reporting requirements do not have the same level of understanding of risks associated with forced labour and child labour. Additional due diligence will be required to follow up on the information provided, as some vendors are yet to provide further details or documents requested to corroborate their answers. From the 75 SAQ's sent out, 65% (49) were returned within the reporting timeframe. Of those not returned or completed, 77% of those concerned vendors based in India, with vendors believing they are not required by law to respond. Despite this, an initial review of these do not appear to indicate any concerns but point towards a lack of understanding in this area compared to local laws.

Merchandise Suppliers: Supply Chain Visibility and Traceability: SAQ

The SAQ has allowed us to gain a greater understanding of social and environmental standards at both Tier 2 and 3 facilities. Of the majority of Tier 2 facilities traced, some had environmental assessments and/or certifications, but lacked in social assessments, with only a small number of facilities with a valid social audit.

The SAQ is a useful tool allowing suppliers to demonstrate the steps they are taking to monitor and prevent modern slavery risks, whilst also identifying areas where further due diligence might be necessary, such as social audits.

Merchandise Suppliers: Social Audit Program

To evaluate success and assess the effectiveness of our ethical sourcing policies, we use internal key performance indicators (KPIs). These KPIs capture data on policy compliance, volume of social audits conducted, and corrective action plans issued and remediated. Last year, one of our focuses were to increase our volume on unannounced audits where possible.

A total of 97 audits were conducted in this reporting period, of which 7 were for our Tier 2 supply chain. Of all audits conducted, 59% of audits were announced, 19% unannounced and 22% semi-announced (where

an audit window between 2 – 4 weeks was given in advance). On average, 4.59 instances of non-compliance were found per audit, ranging from minor to major. A total of 4 critical non-compliances (CFPs) were identified, all remediated within the given timeline. We advise that 45% of all Corrective Action Plans issued were remediated within the same reporting period.

The most prevalent findings of non-compliance were related to working hours, insurance & benefits, and health & safety, such as overtime, not all workers covered by social insurance and workers not wearing sufficient/correct PPE. Although common in the industry, particularly in China, we acknowledge that excessive overtime can be a risk indicator of forced labour, as identified by ILO.

No instances of forced labour or child labour were identified during this reporting period. No suppliers were offboarded this reporting period due to non-compliance.

Grievance Mechanisms

As discussed earlier, we have focussed on increasing awareness of our whistleblower policy and hotline. We received three reports via the hotline during this reporting period. Each of these reports did not constitute whistleblower complaints, however it is pleasing to see general awareness of the availability of the whistleblower hotline grow. A summary of each report was provided to the Audit and Risk Committee for its review and information.

For factories with internal grievance mechanisms available, we will continue to measure their effectiveness and assist factories to remediate any issues escalated.

In Bangladesh, the RSC will pass on any non-health and safety complaints and encourage brands to work with the factories to remediate these. No non-health and safety complaints were received under the RSC in the reporting period.

Stakeholder Assessment

NGO benchmarking forms an important tool from which to assess our actions and understand industry best practice on an ongoing and long-term basis and to learn of any key issues arising from time to time. Throughout the reporting period, we have taken part in industry reports focused on human rights and worker welfare. We view participation in these assessments as useful opportunities for continuous improvement.

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

