

RETAIL HOLDINGS PTY LTD  
MS STATEMENT  
2023

the  
sussan  
group

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# I INTRODUCTION

Retail Holdings Pty Limited (RHPL) (ABN 71 093 246 032) is the legal entity of The Sussan Group, a privately owned company established in Australia over 80 years ago and incorporates the businesses of Sussan Corporation (Aust) Pty Ltd (ABN 79 772 682 378), Sportsgirl Pty Ltd (ABN 77 090 049 415) and Suzanne Grae Corporation Pty Ltd (ABN 11 580 943 436).

This Modern Slavery Statement has been prepared as a joint statement by Retail Holdings Pty Limited after consultation with its subsidiary companies Sussan Corporation (Aust) Pty Ltd, Sportsgirl Pty Ltd and Suzanne Grae Corporation Pty Ltd.

# I GETTING TO KNOW US

Making a positive impact is at the core of everything we do – for our customers, our team, our suppliers, our community and the sustainability of our planet.

As one of Australia’s most loved and trusted women’s fashion retailers, The Sussan Group creates quality collections sold through over 420 retail outlets within Australia and our online (e-com) platforms.

With a head office in Melbourne and a satellite office in Sydney, we employ over 3,000 dynamic and dedicated team members across the country in various roles including administration, distribution, e-com, and store teams within our retail outlets. Our distribution model has its main warehouse hub located in Sydney and a support e-com facility in Melbourne.

Our supply chain uses a sourcing model where 78% of our products are manufactured in China, through a combination of direct sourcing and both local and offshore trading agents. Over the last year, we have continued to expand our sourcing network, collaborating directly with suppliers in other markets such as Australia, Bangladesh, Hong Kong, Pakistan, and Vietnam.

Our extensive range of exceptional products are transported to our distribution centres and on to our retail outlets or online customers via various types of freight movement including sea vessels and road or rail transport options. While we may at times utilise air freight, this is kept to a minimum and represents a very small percentage of our total freight movements.

# I IDENTIFYING POTENTIAL RISKS

In identifying Modern Slavery risk, we need to be clear on what Modern Slavery means to us. The Group defines Modern Slavery as any situation where one person has taken away another person's freedom through threats, violence, coercion, abuse of power or deception so they can be exploited. We also understand that Modern Slavery can be found in a range of practices including human trafficking, slavery, forced labour, child labour and other slavery-like practices.

We have also worked to understand what forced and compulsory labour within our supply chain means to us and have defined this as "any work or service that is expected from any person under the menace of a penalty for which that person has not offered themselves voluntarily."

**Retail Holdings Pty Limited strictly prohibits any type of Modern Slavery which includes any forced and/or compulsory labour across our entire business operations.**

We believe the risk of Modern Slavery and forced labour can only be fully understood when we have an understanding of our end-to-end supply chain and the diverse types of relationships and risks that exist across our sourcing model at each level of production. To assist us to achieve this, we continue to focus on tracing our Supply Chain as we work towards our goal of 100% traceability across all stages of production.

Over the last year, we have maintained 100% traceability of our Tier 1 (end stage) factories used while also continuing to further trace the deeper stages of our supply chain. We have broken down our tiers of manufacture to better understand each tier or activity of manufacture and then created tier-based Traceability Targets within each level of manufacturing.

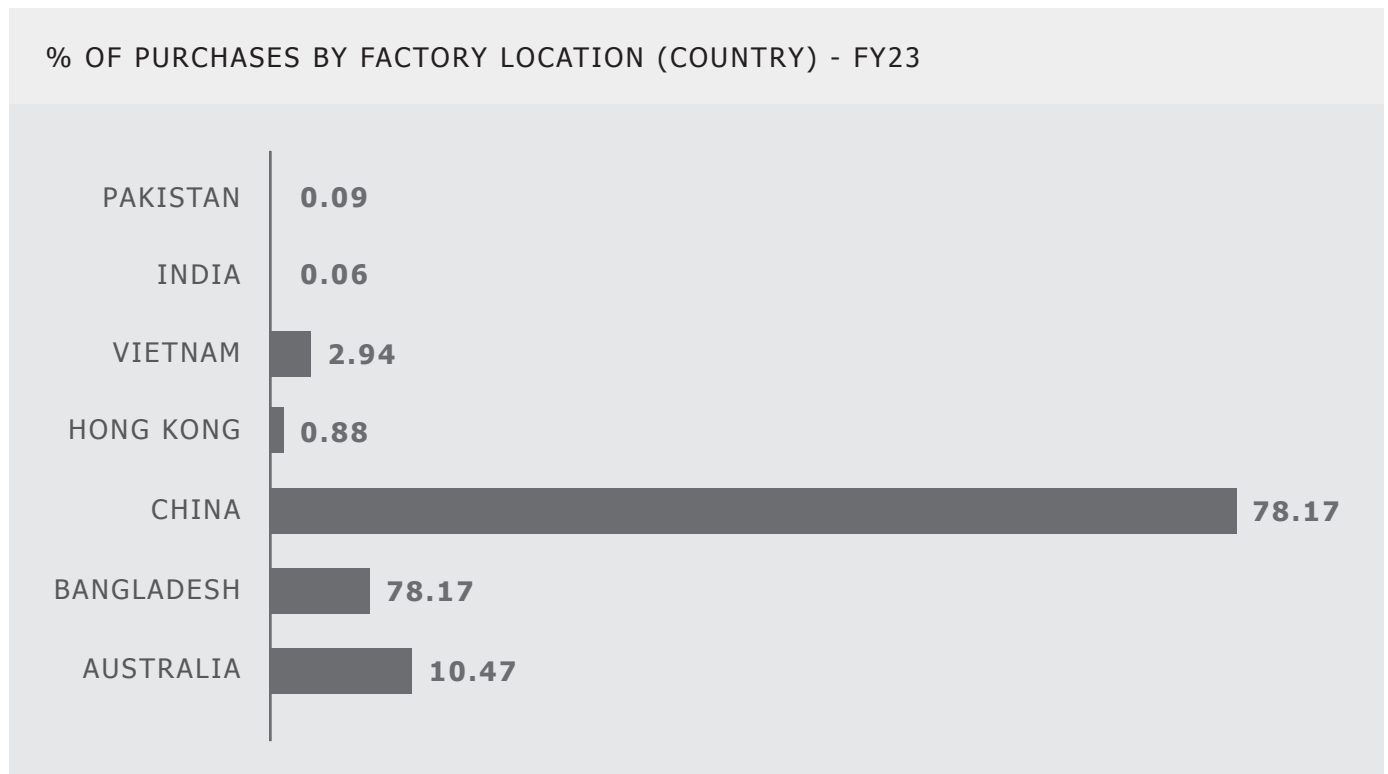


Fig 1 Purchases by Factory Manufacturing Country

With the current trends and potential concerns of forced labour and Modern Slavery across global cotton sourcing regions, our focus is on Tier 3 and 4 stages of manufacture to ensure we build a clearer picture of where our cotton is sourced. This includes an understanding of the workers involved in cotton growing and processing industries, while also investigating multi-stakeholder initiatives (MSI's) that will support our traceability journey across this level of manufacture.

During the year, we also recommenced travelling to some of our sourcing locations, enabling us to visit suppliers and factories personally. These visits allowed us to see firsthand the conditions in factories and speak personally with factory management and workers. These visits are a key mechanism for us to better assess workplace conditions and where we may need to work with suppliers and their partners to further reduce Modern Slavery risk across the supply chain.

Our suppliers have also started travelling and we were pleased to welcome several of our key partners to our offices for face-to-face meetings. While these meetings focus on product, every supplier meeting also includes time with our Ethical Sourcing Function to discuss each factory's audit/inspection results and corrective actions taken, and our expectations moving forward.

Our Product and Standard Operating Procedure manuals have been further updated in 2023 to improve our supply chain governance to all product suppliers across our business.

Internally, we have recommenced our training sessions, ensuring our team are equipped to handle any suspected case of Modern Slavery in the appropriate way. We have embedded ongoing ethical sourcing training across our operations, which includes how to identify and mitigate Modern Slavery risk from our business operations.

These areas are important and we recognise a lack of training may contribute to the risk of Modern Slavery as workers may be forced to work an excessive and unsafe number of hours as a result of decisions we have made. While we are mindful of these concerns, our continued focus over 2024 and beyond is to ensure our team adhere to our internal Responsible Sourcing Policy which provides our team with guidance on how to operate ethically.

Potential Modern Slavery risk may also arise through our raw materials sourcing as we engage our suppliers to source these products on our behalf. While the suppliers act at our request, the Group does not have a direct link to the raw materials suppliers, and we know this increases our risk of being directly linked to potential cases of Modern Slavery through the actions of the supplier or sub-contractors involved.

As a result, we rely on our suppliers to engage and enforce our sourcing expectations and Ethical Code of Conduct in their own supply chains across all areas of production for Retail Holdings Pty Limited products. To support the governance of our supply chain, we will continue to implement strong practices and expectations which assist to mitigate the risk of Modern Slavery within our business operations.

Our expectation is that all suppliers and sub-contractors across our entire global supply chain will always adhere to these governance principles.

# I OUR STEPS

Our Suppliers are more than just suppliers, we believe they are our partners, some of which have worked with us for over 20 years. Ensuring we have the right tools and guidance in place to support our suppliers and their factory workers is at the core of our sourcing goals. Our supply chain partners, and our internal team members, have been key in enabling us to provide clear and concise governance expectations to all factories and sub-contractors used.

We continue to work with external resources to guide us further on our journey to improve. Through education and a deeper understanding of social compliance requirements, we completed an annual review of our Ethical Code of Conduct and made further changes and improvements to our expectations. Our new 2023 Supplier Agreement has been completed and will be released to suppliers by the end of 2023. This new document strengthens our existing supply chain governance documents which include:

- Ethical Code of Conduct
- Supplier Agreement & Contractual Obligations
- Factory Social Compliance Audit Mutual Recognition Program
- Supplier Manual (SOP's)

As part of our cotton program, we also joined the Better Cotton Initiative (BCI) who's mission is to help cotton communities survive and thrive, while protecting and restoring the environment. We see this partnership as an important step towards securing more sustainable cotton as part of our overall Group 'Responsible Fibres' Strategy.

BCI works to assist farmers who grow cotton by educating and training them in more sustainable farming practices, delivering environmental, social, and economic benefits to farmers and their families. As a signatory to the BCI program, the Group has committed to purchase a growing annual percentage of cotton grown by farmers who are part of the BCI program.

We have also completed our annual Modern Slavery Risk Assessment to measure our own performance and to identify opportunities where we can prioritise focus areas to assist in further reducing the risk of Modern Slavery across our supply chain and wider business operations.

Part of this assessment includes reviewing our Group Sourcing Policies including our Group Modern Slavery Policy. Our sourcing documents detail our expectations across different areas of compliance such as Modern Slavery, forced labour, child labour, freedom of association and grievance mechanisms.

More importantly, included within each policy is a remediation plan should a non-compliance finding be identified. This remediation plan must be followed by all parties involved, ensuring the welfare of the worker always remains our primary focus.

Our supply chain review remains an ongoing, dynamic requirement that considers a number of factors when identifying supply partners. We utilise software internally that assists us to manage our entire Supply Chain (across both suppliers and factories) and allows us to map our supply chain visually.

We also continue to review our existing supply chain, identifying opportunities to consolidate our supply base across both Suppliers and Factories to ensure we maintain our ability to influence change.

As a result of our actions, we have seen an improvement in both the overall number of findings identified in factory audits and the timing taken to rectify findings by factory management. Using our factory social compliance rating system, our goal is that orders will be placed with suppliers who use factories with higher compliance scores.

In addition, factories who receive higher scores are rewarded with longer audit frequency timelines, meaning the re-audit window is extended. This allows us to focus more on those factories that require our attention and support to address corrective actions in a timely manner.

Protecting our Head Office, Distribution and Retail team members from any element of Modern Slavery which may arise through their employment is also important to the way we do business.

As a Group, we have implemented a range of Policies and Procedures which govern the Group's behaviour to protect our team members from any type of Modern Slavery while holding ourselves to the same expectations we have of those in our supply chain.

All Group team members are encouraged to raise any concern they have through our Whistleblower program to ensure grievances, problems or complaints are resolved confidentially and in a timely manner. If a team member raises an issue, every report made by the team member is investigated and if required, an external investigator may be appointed.

We extend our expectations to protect workers who provide diverse services to our business through our contractor partners. We always seek to align our business with internationally recognised service providers and operators who have Modern Slavery Governance programs in place where possible.

Where we work with smaller based domestic contractors, we have an expectation that they also implement measures that protect their workers who may work in different areas of our business. Our ongoing focus is to review and implement stronger governance requirements within all contractor and service providers to the Group as we continue to focus on these actions in the coming years.

At Retail Holdings Pty Limited, we value all team members in our business and continue to provide an environment where our team members always feel protected and supported.

We are committed to continuing to work with both external and internal stakeholders to grow our knowledge and further reduce our risk by making more informed sourcing decisions.

This approach aligns to our Group Responsible Sourcing Policy which assists to educate and guide our team on expected purchasing behaviours.

# I ENSURING WE'RE ON TRACK

Social Compliance auditing is our most valuable tool in ensuring we protect workers against any type of modern slavery, while providing us the opportunity to identify further opportunities in our social compliance auditing program.

Over the last year, 162 independent social compliance audits have been completed across our network of manufacturing units and facilities globally.

We have used these assessments to help us identify any concerns and where required, we have worked with our supply chain partners to implement remediation programs. Our actions include following up to ensure these corrective actions have been actioned and corrected within the required timeframes.

Every factory audit conducted includes both individual and group worker interviews. Worker identities are protected, and workers are encouraged to answer questions freely. Every audit report is assessed and reviewed internally to identify any findings or concerns.

We also require factories to ensure workers have a mechanism to voice their concerns confidentially. We support freedom of association in all aspects and have an expectation that all factories will work towards implementing a Workers Representative Committee in addition to any other worker grievance mechanism (such as a confidential hotline, suggestion box, committee, open door policy etc).

We are pleased to see 94% of our factories have a worker elected worker's representative in place (increased from 79% in 2022). Our expectation is that 100% of our factories will have a worker elected representative in place and we will continue to work with our supply chain partners to achieve this goal. It is also pleasing to see factories with a Workers Grievance Mechanism in place have increased from 76% in 2022 to 99% in 2023.

As travelling has now recommenced, we are excited to be on the ground in factories and meeting suppliers face-to-face for further discussions on how we can mitigate the risk of Modern Slavery in our entire supply chain as we progress forward.

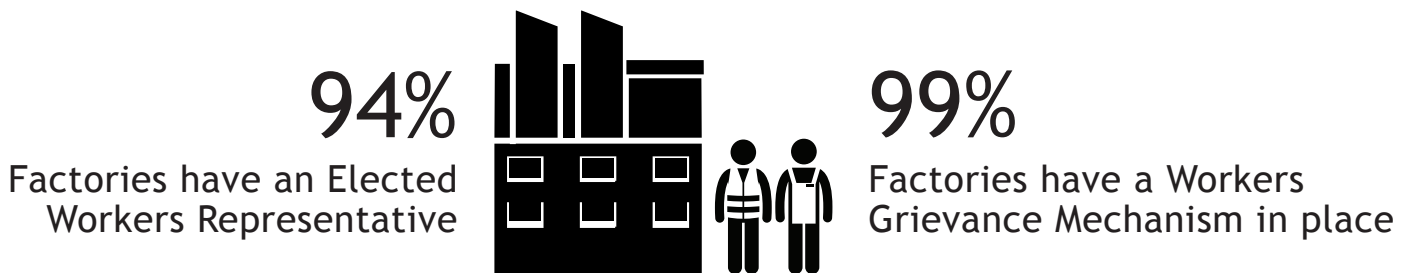
A key indicator in measuring how our controls are working to reduce the risk of Modern Slavery is the actual number of Modern Slavery cases identified across our business during the year. We did not identify any cases this year, however we also know we need to keep focusing on identification tools to ensure we keep up to date with Modern Slavery risk globally.

Our expectation of our supply chain is that any identified potential case of Modern Slavery is reported to the Group Ethical Sourcing Manager, and our remediation plan put into place immediately. Our remediation process then requires an independent investigation to be conducted to ensure the worker is always protected.

We are committed to protecting workers and have developed strong governance requirements on suppliers to ensure we achieve this expectation across all levels of production in our supply chain.



Further results can be seen in our 'Supply Chain in numbers' below:



# | OUR APPROACH

As part of our approach, we constantly engage with the Senior Leadership Team across the Group and the greater business teams to ensure we have a unified approach to everything we do. Each brand follows the same guidelines, policies and expectations across our entire business operations and supply chain.

Our team constantly works to grow and strengthen our internal sourcing program by aligning each brand to our suite of Group social compliance documents (such as our Ethical Code of Conduct, Sourcing Policies, Responsible Sourcing Policy, Supplier Agreement and Mutual Recognition Factory Audit Program).

To further assist our business operations and supply chain, we also utilise external resources to educate and assist our whole team to implement actions we need to take towards building a worldclass supply chain. Ensuring we operate this way is our Group approach.



**To make a positive impact in everything we do...  
in the lives of Australian women, our team, our suppliers,  
our community and the sustainability of our planet**

# I WORKING TOGETHER

Retail Holdings Pty Limited recognises the risk of Modern Slavery remains constant and we must continue to play our part in protecting workers as we grow with our valued suppliers for both our ongoing mutual success. Further information on our Group Ethical Sourcing program can be found here:

**Sussan**

[sussan.com.au/ethical-conduct](https://sussan.com.au/ethical-conduct)

**Sportsgirl**

[sportsgirl.com.au/ethical-code-of-conduct](https://sportsgirl.com.au/ethical-code-of-conduct)

**Suzanne Grae**

[suzannegrae.com.au/ethical-conduct](https://suzannegrae.com.au/ethical-conduct)

# I APPROVAL

This Modern Slavery Statement has been approved after consultation with Sussan Corporation (Aust) Pty Ltd, Sportsgirl Pty Ltd and Suzanne Grae Corporation Pty Ltd.

The Statement has been approved by Naomi Milgrom AC, Sole Director, Executive Chair and Chief Executive Officer on 15/12/2023.



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