



Best&Less Group



MODERN SLAVERY STATEMENT

Best & Less Group Holdings Pty Ltd

FINANCIAL YEAR 2025

Best&Less **Postie**

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Registered Office

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Rhodes NSW 2138

Acknowledgement

Best & Less Group acknowledges the Traditional Custodians of Country throughout Australia and New Zealand and recognises their continuing connection to land, waters, and community. We pay our respects to them and their cultures, and to Elders past, present and emerging.

MESSAGE FROM THE EXECUTIVE CHAIR



Best and Less Group Holdings Pty Limited (Best and Less Group) releases its Modern Slavery Statement, which outlines the measures taken in FY2025 to identify and mitigate the risk of modern slavery within its operations and supply chain.

Best and Less Group acknowledges its responsibility to mitigate these risks and is dedicated to effecting constructive improvements. As we present our 2025 Modern Slavery Statement, I am proud of the progress we have made in strengthening our ethical sourcing practices and deepening our engagement with suppliers across our global supply chain.

This year, we have continued to build on our robust risk management framework, integrating enhanced due diligence, supplier training, and regular factory visits to ensure compliance with our Ethical Sourcing Code. Our Product Lifecycle Management system provides greater transparency and oversight, enabling us to monitor supplier information, audit outcomes, and corrective action plans more effectively than ever before.

We have increased the frequency of supplier engagement, including bi-annual business update sessions and expanded on-site visits, which have allowed us to reinforce our expectations on human rights and labour standards. Our audit program has grown in scale and rigor, with 215 factory audits conducted across multiple countries, and we have taken decisive action to address any instances of non-compliance through corrective action plans and, where necessary, delisting factories from our approved list.

Recognising the evolving risks within our supply chain, we have strengthened our onboarding and monitoring processes, introduced new requirements in our Supplier Manual, and expanded our training programs for both team members and suppliers. We remain vigilant in assessing risks at every tier of our supply chain, leveraging external data and industry partnerships to inform our approach.

Looking ahead to 2026, we are focused on further strengthening our approach to modern slavery risk management. A key priority will be joining the amfori BSCI platform, which will enable us to access shared audit data, streamline supplier oversight, and enhance the efficiency and transparency of our compliance processes. We will also increase the number of unannounced factory audits to ensure everyday working conditions meet our standards and refresh our internal training materials to build awareness of evolving risks. The release of a revised Supplier Manual will reinforce our expectations and drive continuous improvement across our supply chain. Through these actions, we remain committed to upholding the highest ethical standards and making meaningful progress in the fight against modern slavery.

Modern slavery is a complex and persistent challenge, but through collaboration, transparency, and a relentless focus on ethical conduct, we are determined to make a positive impact.

Thank you to our team, suppliers, and stakeholders for your ongoing support. We remain committed to upholding high standards and working collaboratively to promote responsible sourcing.

Ray Itaoui
CEO

A handwritten signature in black ink, appearing to read 'Ray Itaoui', located below the printed name and title.

ABOUT THIS STATEMENT

Best & Less Group Holdings Pty Ltd (ABN 76 642 843 221) is an Australian private company (Best & Less Group).

This Modern Slavery Statement is made in accordance with the Modern Slavery Act 2018 (Cth) and describes the steps taken by Best & Less Group to identify, assess and address modern slavery risks in its operations and supply chains during the period 1 July 2024 to 30 June 2025.

Following the Australian Government's review of the Modern Slavery Act 2018 conducted in 2023, we continue to monitor the progress of the Modern Slavery Amendment (Anti-Slavery Commissioner) Bill 2023 and any associated guidance and regulatory expectations.

The following Best & Less Group subsidiaries are considered reporting entities for the purposes of this Statement:

- Best & Less Pty Ltd ABN 29 003 724 696 (Australia); and
- Postie Plus Group Ltd NZBN 9429041282472 (New Zealand).

Best & Less Group also has the following two other subsidiaries however they do not participate in trade:

- Best & Less Group Pty Ltd (ACN 081 408 791) is the holding company of the various Group subsidiaries; and
- Best & Less IP Pty Ltd (ACN 642 843 089) is the owner of various IP belonging to Best & Less Group.

This Modern Slavery Statement has been made on behalf of the above entities and has been reviewed and was approved by the Best & Less Group Board.



ABOUT US

Best & Less Group comprises the Best & Less brand in Australia and the Postie brand in New Zealand. Together, these brands are well-known value retailers offering affordable apparel, footwear, homewares and accessories for the whole family. Our purpose is to provide quality products at consistently low prices while upholding human rights and minimising our environmental footprint.

During the reporting period, we employed approximately 4,307 team members and served around 19.8m customers through 251 physical stores and our online channels. Our supply chain is global and diverse, spanning multiple countries and categories, and includes approximately 1,408 direct suppliers across merchandise and trade goods and services.

We recognise that the scale and geographic spread of our operations and supply chains bring both opportunities and responsibilities. We are committed to embedding respect for human rights, including the prevention of modern slavery, into our core business practices and decision-making.

MERCHANDISE SUPPLIERS

Our merchandise supply base can be broadly grouped into two categories:

- **Third-Party National Brands:**

We range well-known brands such as Tradie, Underworks, Bonds, Mattel and others as part of our broader offer. These brands supply additional accessories and impulse products sourced from both recognised and emerging suppliers. These products are not designed or manufactured by Best & Less Group, and the brand owners retain primary responsibility for their own supply chains. However, we expect these partners to maintain ethical sourcing standards that are consistent with our expectations.

- **Own Brands and Directly Licensed Products:**

Our Own Brands (and certain directly licensed products) are designed, sourced and developed by Best & Less Group across apparel, footwear, homewares and accessories. This is where we have the greatest ability to influence standards and outcomes, and where our Ethical Sourcing Program is primarily focused.



4,307
team members



19.8 million
customers



251
stores + online



over 1,408
direct suppliers

	TIER 1	TIER 2	TIER 3
OWN BRAND MERCHANDISE SUPPLIERS	Manufacturers	Fabric mills, component manufacturers and freight forwarders	Raw materials
GEOGRAPAPHY	China, Bangladesh, India and Pakistan.	China, Bangladesh, India and Pakistan.	Cotton – Australia, India, China, Pakistan and Bangladesh Rubber – China. PVC – China.
PROCESSES COMPLETED	<ul style="list-style-type: none"> • Cutting • Sewing • Finishing • Packing • Shipping 	<ul style="list-style-type: none"> • Knitting • Dying • Printing/ Embroidery • Accessories and trims 	<ul style="list-style-type: none"> • Cotton Farms • Synthetic extraction

To promote transparency, we maintain a list of Own Brand merchandise manufacturers and factory locations on our websites and update this list periodically. As at the end of the reporting period, we worked with approximately 123 suppliers operating in 272 audited factories across China (83%), Bangladesh (10%), India (6%) and Pakistan (1%).

These factories and mills source a range of fibres and materials, including cotton, cotton-blends, viscose and synthetic polyester, primarily from local or regional markets. We do not knowingly work with factories or source materials from regions that do not meet the requirements of our Ethical Sourcing Code, including Uzbekistan and the Xinjiang region of China.

We acknowledge the industry-wide challenge that arises when fibre (particularly cotton) is stockpiled at the spinner level. While we instruct spinners and knitters not to source raw materials from restricted regions, we cannot fully guarantee that upstream stockpiles are free from such fibre.

TRADE SUPPLIERS

Best & Less Group also engages a broad range of trade suppliers to support our retail operations across our stores, distribution centres and support offices. These include, but are not limited to:

- Transport and logistics providers
- Landlords and related property services
- Office supplies (IT equipment, stationery, furniture)
- Cleaning and waste management services
- Security services
- Store development and fit-out contractors
- Professional services (including marketing, consultancy and advisory services)
- Utilities such as electricity and water

Although many of our Tier 1 trade suppliers are located in Australia and New Zealand and are therefore subject to local labour and workplace laws, we recognise that modern slavery risks may still arise deeper within these supply chains, particularly where vulnerable workers or high-risk sectors are involved.

RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

OUR APPROACH

Our approach to modern slavery risk management is grounded in our commitment to respect human rights and operate ethically. We aim to integrate modern slavery risk identification, assessment and mitigation into our day-to-day business activities and decision-making.

We conduct ongoing due diligence to identify and address human rights impacts, focusing on prevention, mitigation, and remediation. In 2025, we enhanced our processes by:

- Improving risk assessments within our merchandise and supply chains,
- Increasing supplier engagement for effective remediation and continued improvement,
- Expanding internal training and promoting awareness,
- Distributing ethical sourcing materials and grievance cards to every active factory, and
- Visiting more factories directly to deliver supplier training and ensure compliance with our Ethical Sourcing Code.

These initiatives align with our Ethical Sourcing Code, policies, supplier standards, and continuous monitoring.



ASSESSMENT OF MODERN SLAVERY RISK

Best & Less Group is committed to regularly assessing modern slavery risks in both our operations and supply chains, with particular attention to forced labour and child labour.

We draw on both internal and external sources of information to inform our analysis:

- Internal sources: Our teams conduct factory visits, engage directly with suppliers, review audit findings, and use operational insights (such as production lead times and purchasing patterns) to inform our risk assessment.
- External sources: We use tools and indices such as the Global Slavery Index, QIMA risk profiling, SEDEX risk indicators and sector-based research to identify high-risk countries, sectors and commodities. We also monitor the presence and treatment of vulnerable groups, including women, migrant workers and temporary or agency workers.

Our analysis also considers factors such as:

- Country risk indicators and governance frameworks
- Product and sector risk, particularly for apparel and textiles
- Vulnerable worker groups and recruitment practices
- Degree of supply chain visibility and leverage (by tier and geography)

Our Merchandise Labour Rights risk assessments examine both inherent and residual risks across Tier 1, Tier 2 and Tier 3 suppliers. This includes manufacturing facilities, fabric mills, component manufacturers, freight forwarders and raw material suppliers. We use this assessment to prioritise our actions, including audits, remediation follow-up, and supplier engagement.

Based on our current understanding, we continue to assess that Best & Less Group is not directly involved in modern slavery practices. We have in place a suite of policies, controls and monitoring mechanisms designed to prevent our contributing to modern slavery. Nonetheless, we acknowledge that the textile and retail sectors face inherent risks and that our buying practices could inadvertently influence working conditions. We are therefore committed to continuously improving our understanding of supplier practices and our own purchasing behaviours.



RISK IN OUR OPERATIONS

BUSINESS AREA	RISK PROFILE
Operations	Remains Low: predominantly Australian and NZ workers directly engaged

We maintain our assessment that the risk of modern slavery within our directly controlled operations remains low, with no significant changes to our internal risk profile during the reporting period. The following key factors underpin this evaluation:

- The majority of our team members are employed directly on full-time, part-time, or casual contracts; approximately 76% are covered by Enterprise Bargaining Agreements, with the remainder under individual agreements.
- All team members have the right to engage in collective negotiations, irrespective of union involvement.
- Our Employee Code of Conduct outlines clear standards for workplace behaviour, including a zero-tolerance approach to harassment, bullying, discrimination, bribery, corruption, serious misconduct, and worker exploitation.
- Induction training for all team members covers the Employee Code of Conduct and core company policies.
- Labour hire arrangements for our Australian distribution and online fulfillment centres are managed through Australia-based firms required to comply with national workplace laws.
- Our Worker Grievance Hotline offers an independent and confidential avenue for raising concerns, this enables early detection and intervention if exploitation risks emerge.
- We regularly conduct internal audits and compliance reviews, promptly resolving any issues found.
- We are dedicated to continually improving our systems, processes and controls to better manage future risks.



RISKS WITHIN OUR MERCHANDISE SUPPLY CHAIN

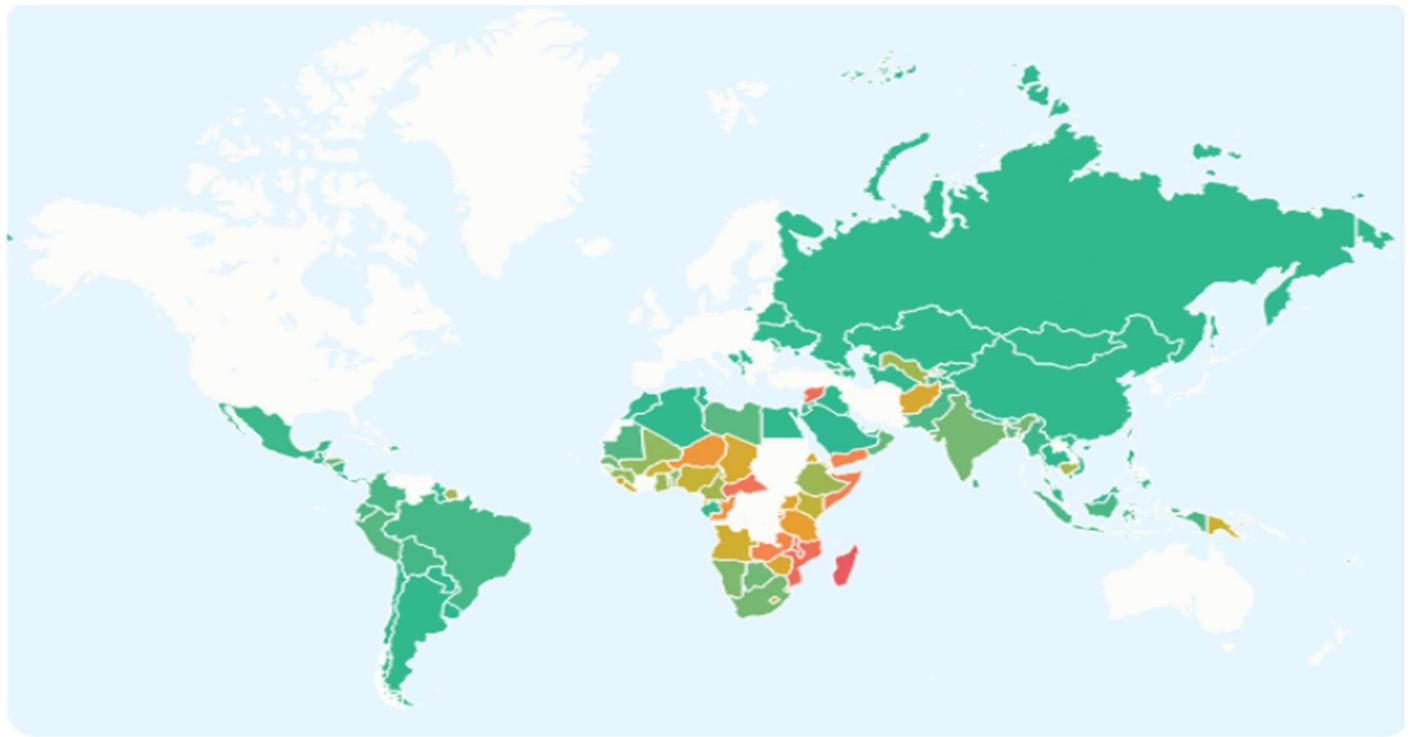
BUSINESS AREA	RISK PROFILE		
Own Brand Merchandise suppliers	<p>TIER 1: Manufacturers</p>	<p>TIER 2: Fabric mills, component manufacturers and freight forwarders</p>	<p>TIER 3: Raw materials</p>
	<p>Moderate</p> <p>Our suppliers are routinely audited but are located in higher risk countries.</p> <p>Keeping our supplier base small, allows us to ensure management and oversight which helps to minimise and manage any risks.</p>	<p>High</p> <p>These suppliers are based in higher risk countries with the Group having less visibility and control over each supplier.</p>	<p>High</p> <p>Due to less visibility and the country risks associated with the raw materials we use in our products; this tier is our highest risk.</p>
Third-party National Brand merchandise suppliers	<p>Moderate</p> <p>Given the relative lack of control the Best & Less Group has over these Tier 1 suppliers, similar to our Own Brand suppliers, we continue to work with these brands directly to ensure their sourcing frameworks align to our expectations.</p>		

Best & Less Group maintains a strict zero-tolerance policy towards modern slavery, including child, forced, or bonded labour, across every aspect of garment production and sales. Nevertheless, we acknowledge that risks of modern slavery may persist within our supply chains, and we remain vigilant in identifying and addressing these risks.

The Best & Less Group acknowledges that its Tier 1 Own Brand Merchandise Suppliers, operating in high-risk countries such as China, Bangladesh, India, and Pakistan, carry a moderate risk. However, the company maintains direct relationships with all Tier 1 suppliers, allowing for active risk management and mitigation. We use the QIMA ESG risk indicators to identify environmental, ESG risk across countries in which we operate.

The QIMA Working Poverty Rates map provides important context on global economic vulnerability, which we consider when assessing country-level risk profiles. While we do not source from the highest-risk countries shown, this data helps inform our broader approach to responsible sourcing and reinforces our commitment to mitigating modern slavery risks.

Figure: QIMA Working Poverty Rates: Working poverty rates cover working poor people who live in households that fall below the World Bank’s international poverty line of \$1.90 a day.



Countries ranked from Worst Best

Rank	Country Name	%
123	Madagascar	78.18
122	Burundi	69.67
121	Mozambique	68.66
120	Syria	68.07
119	Malawi	65.67
118	Central African Re..	65.52
117	Somalia	59.17
116	Yemen	56.80
115	Zambia	56.11
114	Congo	50.12
113	Niger	46.22
112	Tanzania	42.06
111	Uganda	37.08
110	Zimbabwe	35.35
109	Afghanistan	34.94
108	Solomon Islands	34.85
107	Chad	34.14
106	Rwanda	33.00
105	Equatorial Guinea	32.97
104	Eritrea	32.08

In higher-risk countries such as Bangladesh, the Best & Less Group maintains a deliberately small and manageable supplier base. As at financial year 2025, we work with 13 Bangladesh suppliers, 10 of whom are long-term partners, with relationships extending over a decade, and 3 new suppliers who have undergone extensive checks prior to onboarding. This approach enables us to foster long-term, trusted partnerships, with many relationships extending over a decade. Our rigorous onboarding, ongoing open communication, and corrective action processes ensure alignment with our values and standards. When suppliers consider expanding operations, particularly into new jurisdictions, we work collaboratively to assess local options. We do not permit production of Best & Less Group products in factories located in unfamiliar or higher-risk jurisdictions, thereby reducing our exposure to modern slavery risks.

Subcontracting is strictly prohibited unless approved by the Best & Less Group's General Managers of Merchandise following a satisfactory third-party audit. Although unauthorised subcontracting remains a risk, we have implemented processes, such as pre-shipment inspections and unannounced factory audits, to identify such practices. If unauthorised subcontracting is discovered, we follow our remediation process and address the issue with factory management, resolving any breaches of our agreements with the manufacturer. We maintain an updated list of all Own Brand Merchandise Suppliers on our websites.

The highest risk of modern slavery lies further down the supply chain, specifically in Tier 2 (Fabric mills, component manufacturers and freight forwarders) and Tier 3 (Raw Materials suppliers) where visibility into workers' conditions is less clear due to the absence of direct relationships. To address these higher-risk categories, the Best & Less Group joined SEDEX (Supplier Ethical Data Exchange) in FY22. As a global membership organisation, SEDEX provides an online platform and tools to enhance supply chain visibility and management.

There is also a moderate risk of modern slavery within the supply chain of our Third-Party Brands, which manufacture in the same locations as the Best & Less Group. Although the modern slavery risk of individual Third-Party Brands' operations (Tier 1 suppliers to the Best & Less Group) is relatively low, the risk escalates further down the chain due to limited visibility. The Best & Less Group continue to work with these brands directly to ensure their sourcing frameworks align to our expectations.

RISKS WITHIN OUR TRADE SUPPLY CHAIN

BUSINESS AREA	RISK PROFILE
Fabrication of materials for fit outs	Moderate
Labour hire companies	Our Tier 1 suppliers are mostly domestic suppliers however we have limited information about their greater supply chain.
Cleaning and security services	
Construction	
Transport and logistics	
Electronic goods	
Offshore call centre	
Media and marketing services	

There has been no material change to the risk profile of our Trade suppliers.

Our Tier 1 Trade suppliers based in Australia or New Zealand have lower assessed risk due to compliance with local laws and regular engagement with Best & Less Group, however we recognise that some of the more vulnerable groups, such as migrant workers, are at a higher risk of labour rights issues such as excessive hours.

In Australia and New Zealand, Tier 2 and Tier 3 Trade suppliers associated with landlords, such as construction, cleaning, and security services, may pose modern slavery risks, but our influence is limited due to the control and information imbalance between landlords and tenants.

The international freight sector presents a similar imbalance, although our freight forwarders have a comprehensive Human Rights Compliance Program. This is a risk-based program, focused on goals that are designed to eliminate human trafficking and achieve compliance with the United Nations Guiding Principles on Business and Human Rights.

ACTIONS TAKEN TO MITIGATE MODERN SLAVERY RISKS

Over this reporting period, the Best & Less Group has continued to build on and improve our policies and actions to assess and address modern slavery risks in our operations and supply chains. Our approach is guided by our commitment to ethical sourcing and the protection of human rights, as outlined in our various policies and procedures.

POLICIES AND PROCEDURES

The Best & Less Group has a robust framework of policies that support our day-to-day operations and ensure the respect and safeguarding of universally recognised human rights. Policies which support our Ethical Sourcing Program include:

- Employee Code of Conduct
- Ethical Sourcing Code
- Whistle-blower Policy
- Equal Employment Opportunity Statement
- Employee Assistance Program
- Anti-bribery and Corruption Policy
- Child and Forced Labour Remediation Policy.

The Best & Less Group is dedicated to adhering to the laws and regulations of the countries where our business is present. Our policies strictly forbid any engagement in activities related to modern slavery, and we are steadfast in ensuring safe and healthy working conditions for all workers. This includes upholding the right to freedom of association and collective bargaining. We have and will continue to conduct regular reviews to policies and procedures to make necessary changes and strive for best practices.

PRODUCT LIFECYCLE MANAGEMENT (PLM) SYSTEM

We are actively enhancing our Product Lifecycle Management (PLM) system to facilitate comprehensive tracking and improved transparency regarding our Own Brand Merchandise suppliers. Within PLM, we capture the full compliance status of all factories and maintain detailed records, including factory documentation and photographs, to support our monitoring processes. Corrective Action Plans (CAPs) related to SMETA audits are accessible within the system, and BSCI CAPs will also be available following our anticipated membership in December 2025.

To further increase oversight of our production activities, we now require documentation of approved factories at the initial sampling stage. This data is entered into the PLM system, enabling third-party inspectors to confirm that production has taken place at the authorized facility as declared.

The continued development of this system strengthens our capability to manage supplier information, audit outcomes, corrective action plans, and audit renewal dates. It significantly enhances transparency and ensures adherence to our ethical sourcing standards.

FACTORY MANAGEMENT

We maintain rigorous procedures for factory approvals and delistings. Suppliers are required to propose new factories only during our semi-annual tender periods, allowing for enhanced oversight of factory numbers and ensuring optimal management of our operational needs. Factories with which we no longer conduct production are systematically removed from our approved list.

In addition, all approved factories must submit a new audit report within one month after the previous audit's expiration. If a valid, passed audit is not provided, the factory is removed from our list and production activities at that facility are suspended.

Our factory audit program is overseen by a Chinese/Australian staff member based in Shanghai, China. This individual coordinates factory visits, assists buyers during site assessments, and serves as the primary liaison between our suppliers, factories, and internal teams.

ONBOARDING NEW SUPPLIERS

We value our long-standing partnerships with Own Brand Merchandise suppliers, many of whom span over a decade. These relationships are built on trust, transparency, and rigorous onboarding processes that have been in place since 2014. Strong partnerships enable accountability and open dialogue, ensuring that ethical standards are upheld across our supply chain.

Our rigorous supplier screening and onboarding process continues to be the gateway for our modern slavery risk management. Every potential supplier undergoes a comprehensive assessment designed to ensure compliance with our Ethical Sourcing Code and international human rights standards. Key steps include:

- **Application and Screening:** Suppliers submit detailed applications and our procurement team reviews capabilities, capacity, compliance history and the supplier's existing partnerships.
- **Documentation Review:** Once the initial screening is complete, we verify business licenses, certifications, and regulatory compliance to ensure legal and ethical operations.
- **Onsite Audits:** An on-site audit is then conducted by one of our third-party audit partners, QIMA, BSCI and SMETA, who undertake a comprehensive assessment of suppliers' operations, labour practices, and adherence to human rights standards. Trained auditors evaluate factors such as working conditions, wages, working hours, and occupational health and safety.
- **Accord/RSC checks:** Factories in Bangladesh and Pakistan must hold approved audits and be free from non-compliance flags on Accord and RSC lists. Factories identified as non-compliant are proactively rejected.
- **Human Rights Due Diligence:** We evaluate suppliers' commitment to prohibiting forced labour, child labour, discrimination and ensuring fair wages.

Once onboarded, suppliers are subject to ongoing monitoring and audits to maintain compliance. Unauthorized subcontracting is strictly prohibited, and any breaches trigger immediate remediation. This layered approach strengthens supply chain integrity and reinforces our zero-tolerance stance on modern slavery.

DIRECT SUPPLIER ENGAGEMENT

Our engagement with suppliers is ongoing, with regular meetings and discussions to address any issues and ensure compliance with our Ethical Sourcing Code. Key activities include:

- **Contract and tender cycles** to discuss business plans, sustainability programs, and workers' rights programs.
- **Bi-annual supplier business update:** We have introduced bi-annual business update session with all suppliers to share any key changes to our operations. These sessions are a critical platform to reinforce our zero-tolerance stance on modern slavery, clarify expectations on human rights and labour standards, and highlight priority areas for improvement.
- **Factory visits** to provide supplier training and address issues on-site. In the past year our buyers and production manager have visited over 35 factories across China, Bangladesh and India. We have also visited a further 18 factories in the first quarter of the new financial year.
- **Monitoring and managing factory numbers** to ensure compliance and the need for new factories as well as exiting factories.



THIRD-PARTY SUPPLIER AUDIT PROGRAM

All Tier 1 Own Brand merchandise suppliers undergo biennial audits to ensure our suppliers comply with our ethical sourcing standards. These audits have revealed areas of improvement and instances of non-compliance, which we have addressed through Corrective Action Plans (CAP).

Any issue found through our rigorous audits are provided with a CAP which gives the factory 60 days to correct the issue, with some variation depending on what the issue is an agreed timeline.

The CAPs are managed by our Third- party auditor and we have visibility through our PLM to ensure CAPs are implemented within the timeframe allowed.

This year, we conducted 215 factory audits (last year 184). 213 audits achieved satisfactory or better compliance ratings and two received unsatisfactory results. One of these factories has undertaken a CAP and the other was de-listed in our PLM and we have advised our supplier not to use this factory until a satisfactory audit has been achieved. These factories are also required to have another audit within a 12-month period to confirm on-going improvements.

Common findings included issues with

- Social Insurance.
- Waste disposal, and
- Health and Safety

We continue to follow up closely on any expired audits, requiring a new passed audit report to be presented within a month of the expiration date, or the factory will be removed from our list.

We also carried out unannounced factory audits in 2025 to verify compliance with our standards. Issues found are resolved through corrective actions, supplier engagement, and continuous monitoring.



SUPPLIER MANUAL

To reinforce compliance and alignment with our Ethical Sourcing Standards, we updated and distributed our supplier manual and received signed acknowledgements from all direct suppliers. In addition to signing the supplier acknowledgment, several National Brand suppliers also signed the new version of our Ethical Sourcing Code, which now includes specific requirements regarding PFAS legislation, and for those who did not, we verified that their own ethical sourcing codes meet or exceed our expectations. This process further strengthens our responsible sourcing approach and supports our ongoing efforts to mitigate modern slavery risks throughout our supply chain.

TRAINING AND AWARENESS

We deliver mandatory compliance training to applicable team members regarding modern slavery and associated risks. This program enhances awareness and underscores the significance of identifying and eradicating modern slavery within our supply chains. Additionally, we support our suppliers in understanding our Ethical Sourcing Code and conducting comprehensive risk assessments.

WHISTLEBLOWER PROTECTION

Our Whistleblower Protection Policy allows individuals to report concerns about unethical or illegal activities, such as modern slavery, without revealing their identity. If an issue is investigated and confirmed, we will take suitable action.

WORKER GRIEVANCE HOTLINE

We undertake ongoing evaluations of our grievance mechanism to ensure it remains an efficient and reliable channel through which employees can express concerns and pursue resolution.

COMMUNICATING ACTIONS

Our dedication to ethical sourcing is clearly outlined on the Best & Less and Postie websites, with detailed information provided in this statement about how we manage and reduce related risks. We share our Ethical Sourcing Code and other relevant details online, continually updating our Own Brand Merchandise Manufacturers Transparency List.

In addition, we maintain open communication with stakeholders, keeping them informed about the steps we are taking to address modern slavery risks.

CONTINUOUS IMPROVEMENT

We are committed to continually improving our practices to address modern slavery risks. This includes regular reviews of our policies and procedures, enhancing our PLM system, and maintaining ongoing supplier engagement and training.



HOW WE ASSESS THE EFFECTIVENESS OF ACTIONS TAKEN

The Group employs multiple internal and external mechanisms to effectively track its performance. We continuously strive to understand the effectiveness and impact of our Ethical Sourcing Strategy. These valuable insights are utilised to inform our approach to modern slavery and human rights risk management, both in the immediate and long-term.

	ACTIVITY	MEASURE	FY 2025
GOVERNANCE	Board oversight	Quarterly presentation	4
	Policy reviews		
RISK MANAGEMENT	Regular Risk Assessments	Quarterly	4 conducted
	Supplier onboarding	All new stock suppliers	9 onboarded
	Delisted suppliers	Delisted stock suppliers	23 delisted
MONITORING	Third party audits	Audits conducted per tier; quantum of non-compliance	215; 2 (these were either corrected or delisted)
	Supplier Corrective Action plans (QIMA & SMETA)	No. of plans in place and time to implement	49 as at June 25
	Site visits	Number of Site visits	35
GRIEVANCE MECHANISMS	Mechanism for grievances to be raised	Total number of issues raised and resolved	-
	Cases remediated	Number of cases remediated	-
	Trend analysis	Annual assessment to identify trends	1

FOCUS AREAS FOR 2026

At Best & Less, continuous improvement is a fundamental aspect of our approach to combatting modern slavery. We strive to uphold high standards and create a responsible and ethical supply chain.

Here are the key areas we are focusing on:

BSCI PLATFORM AND TRAINING

A priority for 2026 will be gaining access to the amfori BSCI platform and undertaking training to optimise platform use and the value derived from the platform. Access to the platform will provide greater efficiency through shared audit data, reducing duplication and strengthening oversight of supplier compliance.

UNANNOUNCED FACTORY AUDITS

We will extend the number of unannounced factory audits in 2026 to enhance oversight of supplier compliance. These audits provide a more accurate view of everyday working conditions, reduce the risk of factories preparing only for scheduled inspections and strengthen accountability across the supply chain. Findings from unannounced audits will be addressed through corrective action plans, supplier engagement on remediation, and ongoing monitoring to ensure improvements are sustained.

TIER 2 AUDIT EXPLORATION

In 2026, the Group will explore the feasibility of extending audits to Tier 2 suppliers, with particular attention to fabric mills. Enhancements to the PLM system are planned to enable suppliers to record mill information and indicate the nature of their relationship. We have enquired with our key Tier 1 suppliers on whether they conduct fabric mill audits or whether our audit partners include fabric mills within their scope. We will also investigate the feasibility of visiting selected fabric mills, such as those handling the largest volumes of cotton and fleece, to provide further insight into those operations.

MODERN SLAVERY TRAINING

The Group will refresh its internal training materials and will re-train the Group's merchandise team on Modern Slavery risks. Our training materials are designed to build awareness of key risks in the clothing supply chain including forced labour, excessive working hours, child labour, withholding of wages, and unsafe or inhumane conditions. It also reinforces the team's responsibility in factory selection and the importance of accurate data entry in PLM for transparency. Regular re-training and refreshing of training materials is essential to ensure that employees remain alert to evolving risks in global supply chains, reinforce accountability in sourcing decisions, and maintain consistency in applying ethical standards.

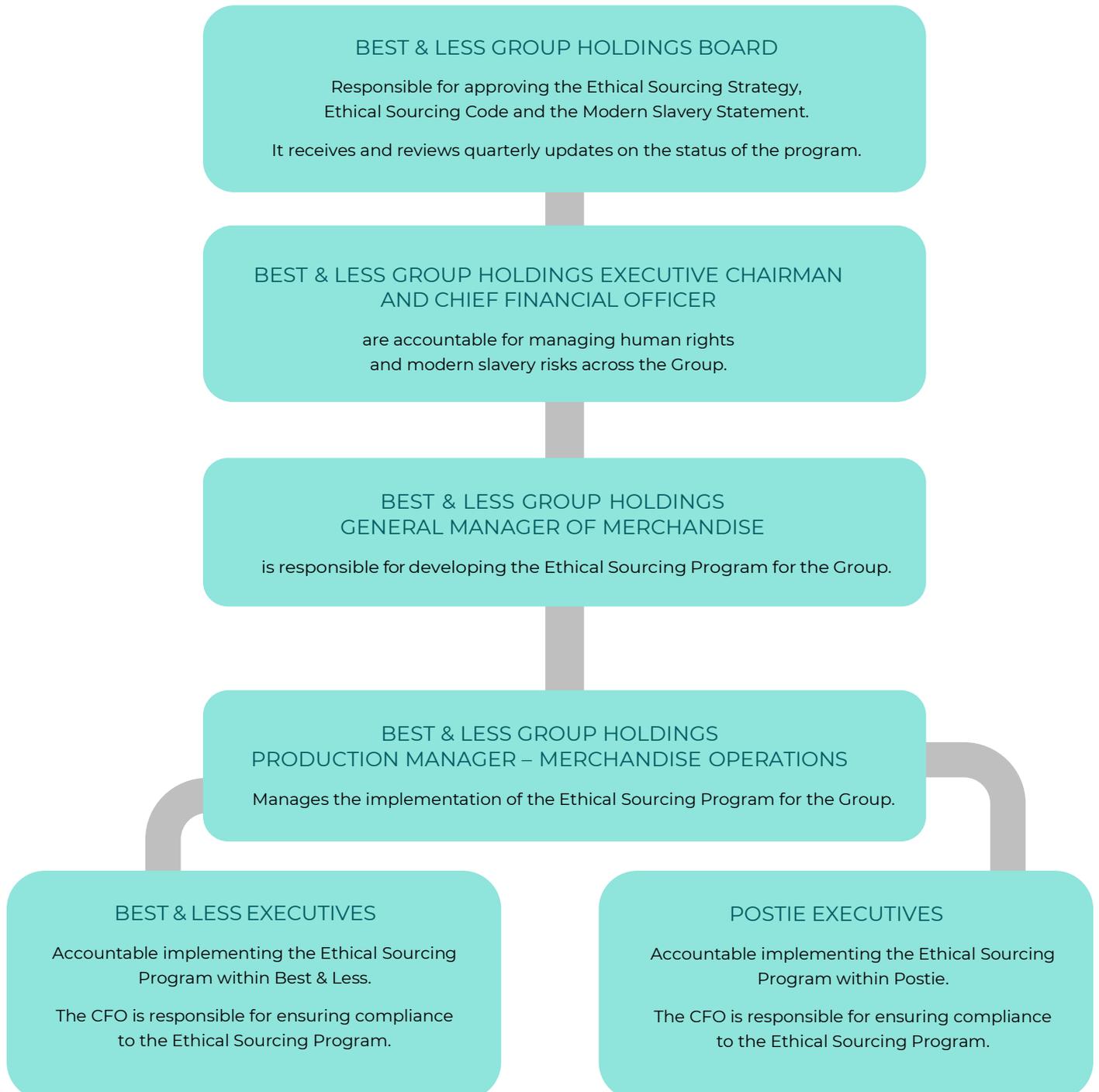
NEW VERSION OF THE SUPPLIER MANUAL

In 2026, we will release a revised Supplier Manual to all direct and national brand suppliers. This update will incorporate emerging regulatory obligations, ensuring our Ethical Sourcing Code remains robust and aligned with global best practice. By mandating acknowledgment of the updated manual and reinforcing expectations through clear guidance, we strengthen supplier accountability and drive continuous improvement. This action is a key component of our strategy to mitigate modern slavery risks across every tier of our supply chain.

APPENDIX 1:

GOVERNANCE AND CONSULTATION

Governance structure



The Board has the responsibility of endorsing and approving the Ethical Sourcing Strategy and ensuring that management upholds its implementation. The Ethical Sourcing Strategy encompasses the Best & Less Group's approach to addressing the challenges posed by modern slavery within the textile and apparel sector.

On an annual basis, the Board approves each relevant Best & Less Group policy outlined in this document and assesses the progress in taking action to identify and mitigate the risks of modern slavery throughout its operations and supply chain.

The Board has assigned the CEO & CFO the duty of evaluating the Best & Less Group's performance in ethical sourcing and assessing the effectiveness of the risk management systems and processes in place for identifying and mitigating ethical sourcing risks.

CONSULTATION PROCESS

During the reporting period this statement covers, we actively engaged and consulted with all companies we own or control in the development of this statement (entity's outlined in 'About This Statement'). We discussed details of the Modern Slavery Act 2018's reporting requirements; information regarding the actions we intend to take to address these requirements and provided them with relevant materials and updates.



APPENDIX 2: GLOSSARY

Our Statement uses the Act's definition of Modern Slavery – conduct which would constitute a criminal offence under Australian law¹ or international law including trafficking in persons² and the worst forms of child labour³. The worst forms of child labour mean extreme forms of child labour that involve the serious exploitation of children, including through enslavement or exposure to dangerous work.

Best & Less Group, BLGH, the Group	The reporting entities covered by this Statement being Best & Less Group Holdings Ltd and/ or controlled subsidiaries and managed joint venture operations that meet the definition of reporting entity under the Act. References to 'our' and 'we' in this Statement are references to the reporting entities above.
Ethical Sourcing Code (ESC)	Our ESC outlines the code of conduct and policies in relation to social, environmental and standards of compliance that we require from our business partners (suppliers) and is available on our websites: Best & Less: www.bestandless.com.au/ethical/sourcing Postie: www.postie.co.nz/ethical-sourcing
Ethical Sourcing Strategy (ESS)	Our ESS is how we measure and ensure compliance with the ESC. For example making sure all suppliers sign up to it and running biennial audits.
Own Brands and Third Party National Brands	See page 4 of this MSS.
Product Lifecycle Management system (PLM)	PLM is a software program for product development to manage design, quality approvals, compliance, costings, sourcing and supplier information. See page 12 of this MSS.
QIMA	The provider of our independent audit services to audit our supplier partners.
Merchandise manufacturers transparency list	See Best & Less website: www.bestandless.com.au/factories See Postie website: www.postie.co.nz/ethical-sourcing
Merchandise Suppliers	Suppliers of goods and services we sell to our customers. See page 5 of this MSS.
SMETA 4 Pillar Audits	A SMETA 4-pillar audit covers the Labor and Healthy & Safety standards of the 2-pillar audit, as well as Environmental Assessment and Business Ethics. This is the full SMETA audit and includes: Labor Standards, Health and Safety, Environmental Assessment (extended), Business Ethics.
Trade Suppliers	Suppliers of goods and services to the Group, other than merchandise suppliers. See page 5 of this MSS.
Tier 1 Suppliers	Those suppliers we contract directly with to supply goods and services
Tier 2 Suppliers	Those suppliers that our Tier 1 suppliers' contract with to supply goods and services
Tier 3 Suppliers	Those suppliers that our Tier 2 suppliers' contract with to supply goods and services

1 An offence under Division 270 or 271 of the Criminal Code.

2 Trafficking in persons as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000 ([2005] ATS 27).

3 Child Labour as defined in Article 3 of the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, done at Geneva on 17 June 1999 ([2007] ATS 38).

APPENDIX 3: INDEX

MODERN SLAVERY ACT (2018) REQUIREMENT			P	
1.0	Identify reporting entity	Name of reporting entity	3	
2.0	Describe structure, operations and supply chain	Describe Structure	Legal Classification and ACN/ ABN	3
		- legal and organisational form	Provide the details of the reporting entity's registered office.	1
			Indicate the approximate number of workers employed by the entity and any entities it owns or controls	4
			Explain the general structure of the entity	3
			If the entity is part of a larger group, explain the general structure of the overall group (both upstream and downstream from the entity).	NA
			Whether it owns or controls other entities.	3
			If the entity does own or control other entities, explain what these entities do and where they are located	3
		Identify any trading names or brand names associated with the reporting entity and entities it owns or controls.	3	
	Describe Operations	Explain the nature and types of activities undertaken by the entity and any entities it owns or controls.	4	
		If the entity's activities involve investments or financial lending, explain the type and nature of the entity's investments or lending.	NA	
		Identify the countries or regions where the entity's operations are located or take place.	4	
		Provide facts and figures about the entity's operations, such as the total number of employees, factories, and/or stores.	4	
		Explain in general terms the type of arrangements the entity has with its suppliers and the way these are structured (are they often short-term and changeable or stable longer-term relationships).	4	
		Explain the types of business relationships the entity has in addition to suppliers, such as joint venture partners.	NA	

MODERN SLAVERY ACT (2018) REQUIREMENT				P
2.0		Describe supply chain	Identify the countries or regions where the entity's suppliers are located.	5
			Explain the main types of goods and services the entity procures.	4
			To the extent possible, identify the source countries for these goods and services.	5
			Link to any disclosures by the entity about the identity of their suppliers (such as a public supplier list).	20
3.0	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Caused, contributed or directly linked to	Describe risks that the entity, and entities it owns or controls, causes, contributes to and/or is directly linked to modern slavery.	7 – 11
			Should identify the general types of modern slavery risks that may be present in the operations and supply chains.	7 – 11
			Include sector/industry risks; product and services risks; geographic risks; entity risks.	7 – 11
			Must include sufficient detail to clearly show the types of products and services in the entity's operations and supply chains that may involve risks of modern slavery.	7 – 11
4.0	Describe what actions over the past 12 months, the reporting entity, and entities it owns or controls, is taking to assess and address the risks of modern slavery	Due diligence	How the entity has identified and assessed actual and potential human rights impacts : e.g. Reviewed existing information such as Human Rights Impact Assessments; WH&S inspections, Social Impact Assessments Mapped key parts of your operations and supply chains	12 – 15
			What tools, systems, policies and personnel does the entity have in place to monitor high risk suppliers and mitigate associated risks e.g. supplier and employee codes of conduct, Human Rights policy, complaints mechanism available.	12 – 15
			Are these tools, systems, policies available publicly, if so where	20
			How is the entity taking appropriate action to address impacts e.g. staff and supplier training, incident reporting, working directly with high risk suppliers.	12 – 15
			How is the entity is tracking performance e.g. credible audits, using existing traceability processes.	12 – 15
			How the entity is publicly communicating what you are doing.	15
4.0		Remediation processes	What is in place for the entity to respond to complaints of modern slavery.	12 – 15
			What is the process for remediation.	12 – 15

MODERN SLAVERY ACT (2018) REQUIREMENT				P
5.0	Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks		Explain what the reporting entity is doing to check whether its actions to assess its modern slavery risks are working. How will it know whether it is appropriately identifying and evaluating its modern slavery risks?	16
			<p>Explain what the reporting entity is doing to check whether its actions to address modern slavery risks are working. How will it know if its actions are making a difference?</p> <p>Could include:</p> <ul style="list-style-type: none"> • Establishing a regular review process • Regularly checking your risk assessment processes • Setting up a process to provide for regular engagement and feedback between key departments • Conducting internal and external audits • Tracking actions you have taken and measuring impact • Working with suppliers to check their progress • Looking at trends reported through the complaint's mechanism • Partnering with an industry group, or trusted NGO to undertake an independent review. 	16
6.0	Describe the process of consultation with any entities the reporting entity owns or controls	Not needed if no other entities owned or controlled	The level of consultation you undertake should reflect your relationship with the other entity and the risk profile of that entity. Your consultation should be sufficient to ensure that the modern slavery risks relating to the other entity have been appropriately identified, assessed and addressed and that other entity is aware of what actions they need to take.	18
7.0	Any other relevant information	Only if relevant	<p>May include:</p> <ul style="list-style-type: none"> • How the reporting entity has supported the development of legislation on modern slavery in another country • Whether the reporting entity has participated in external forums on modern slavery to help improve awareness • How the reporting entity has partnered with a civil society organisation or industry body 	
	Approved by principal governing body		The statement must say that it has been approved by the principal governing body for the reporting entity; name that governing body; and specify the date that governing body approved the statement.	3
	Signed by a responsible member of the reporting body		Usually a Director or the Board.	2

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