

CUE CLOTHING Co.

MODERN SLAVERY STATEMENT

INTRODUCTION

Cue Clothing Co. has published this statement in accordance with the Australian Modern Slavery Act 2018 as a summary of our operations over the last year and the steps we have taken towards mitigating the risk of modern slavery. This statement covers the entirety of our current business operations across FY24 as well as looking forward and building for the future.

We are proud to have continued our long-term commitment to supporting the Australian fashion industry by designing all of our products in Australia and producing a number of styles locally (in Australia). Supporting Australian business, our internal team, suppliers and factory workers are important to us and are an integral part of the Cue philosophy.

In 2022, we became a member of the Australian Fashion Council (AFC), the peak body for the Australian fashion and textile industry. At the end of 2022, AFC named Cue among the first cohort of brands to be accredited with the Australian Fashion™. The trademark aims to promote Australian fashion brands that prioritise people and planet together with profit to lead a legacy of thriving prosperity.

Doing the right thing across our business today and in the future is something we have always strived for, dating right back to our inception in 1968.

“Cue – the name says it all: it means to be on target, on the ball and ready for the next thing”

Rod Levis, Founder & Owner

OUR COMPANY

Cue Clothing Co., known to our customers as 'Cue', incorporates the business entities of Cue Design Pty Ltd ABN 71 000 655 336, Cue & Co Pty Ltd ABN 57 000 725 306 and Cue International (NZ) Pty Ltd ABN 97 640 585 904. Veronika Maine is a sub-brand of the Cue Clothing Co. group.

Cue Clothing Co. is a privately owned business that opened in Sydney, Australia in 1968. Today, our head office of 93 employees remains based in Sydney. We operate 149 retail stores across Australia and New Zealand with 735 retail employees employed on a full-time (15%), part-time (15%) and casual (70%) basis across our business operations.

Our product categories include apparel and extend to accessories including belts, bags, footwear and jewelry.

OUR PRODUCTION

Designs:

Every Cue Clothing Co. style for both Cue and Veronika Maine is designed in our Sydney studio. All sourcing, design, patternmaking and sampling is undertaken by our talented in-house team. Every style, whether manufactured in Australia or by our nominated offshore suppliers, is managed in the same way - from initial sampling to final design and fit.

Fabrics:

We source our fabrics from global fabric mills. Our fabrics are sourced from markets such as Korea (35%), China (30%), Turkey (19%), France (6%), Japan (4%) and Italy (3%) with the remaining fabrics sourced from Countries such as Spain, India, Romania and Vietnam (3% in total).

We manage our own Sydney based fabric warehouse to store all fabrics and trims used in our Australian manufactured products. For any manufacturing which occurs in offshore markets, our fabrics are sent to our suppliers directly from our nominated fabric mills.

Operations:

All products globally are shipped to our distribution centre located in Sydney, Australia. The distribution centre provides warehouse storage and pick and pack services to our retail stores across Australia and New Zealand as well as our online direct to consumer sales (locally and internationally).

Manufacturing:

At Cue, we align manufacturing activities into a tier of manufacture to ensure we provide an adequate level of governance to each activity. This alignment allows us to identify specific modern slavery risk factors in each area of manufacture, to set specific targets around traceability and also the expectations for how we manage each level of manufacture internally.

We align each stage of production or manufacturing activity by the following groupings:

- Tier 1: Cut, make, trim and end stage manufacturing.
- Tier 2: Input factories such as wash houses, dye, print, embroidery etc.
- Tier 3: Suppliers such as fabric mills, spinners, trim/accessory providers.
- Tier 4: Initial stage raw materials and logistics.

We utilise a number of countries globally to support our production. This includes 25 Tier 1 suppliers used to manufacture

our products of which, 10 suppliers are based in Australia, and 15 suppliers are located in other markets. Our offshore manufacturing by market includes China (15 suppliers manufacturing 61% of offshore production), Vietnam (2 suppliers manufacturing 38% of offshore production) and India (2 suppliers manufacturing 1% of offshore production).

As a business, we recognise the importance of supplier consolidation and consistently look to reduce the overall number of suppliers we use across our business operations. By reducing the total number of suppliers used, we are able to reduce our modern slavery risk while focusing our attention on building stronger partnerships across our supply chain.

Our supply chain model requires our offshore suppliers to manufacture and deliver our products to our nominated freight forwarders in their country of production. Our products are then shipped to Sydney via sea freight and delivered to our warehouse by road transport.

At times, we may use air freight for the delivery of our products, however we aim to keep this at a minimum and use only when absolutely required. Locally, our Australian suppliers manufacture and deliver products directly to our Sydney warehouse.

Across our business, we engage other service providers such as logistics partners, visual merchandising, consumable items such as hangers and customer bags, cleaners and service/maintenance providers. We recognise modern slavery risk extends across our entire business operations so to support our governance expectations, we seek to partner with service providers who have internationally recognised programs to combat and mitigate the risk of modern slavery across their business operations where possible. This level of governance includes identifying the modern slavery risk strategies adopted in the service providers we partner with including reviewing their internal modern slavery policies where available.

RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

Apparel and accessory manufacturing, whether through local or offshore production, is a complex process that requires regular governance. We aim to continually assess our production to ensure we mitigate the risk of modern slavery across our supply chain and our entire business operations. We recognise that the location of each of our suppliers presents different risks to modern slavery, therefore they require differing management approaches.

We utilise a number of international indicators to identify modern slavery risks across our business operations and end to end supply chain. Through a deeper understanding of modern slavery risks across our business operations, we recognise we may cause, contribute or be linked to the risk of modern slavery through our operations both directly and indirectly. As a result, we continue to implement strategies to mitigate these risks.

We've identified a number of key areas where our risk of modern slavery may be higher as a result of different human rights concerns in the country of the supplier's operation. These include reliance on unskilled labour, the potential use of recruitment agencies, exploitation of female workers, seasonal and migrant workforces, child labour, forced labour, wage concerns, excessive working hours, lack of supply chain transparency, discrimination, harassment, unsafe factories and insufficient freedom of association and grievance programs for workers.

Internally, our expectation is that all Tier 1 suppliers will complete a social compliance audit every two years for each Tier 1 factory used for the manufacture of our products at a minimum. Our local (Australian based suppliers), factory audits are completed by Ethical Clothing Australia (ECA) through a yearly accreditation which ensures that indicators of modern slavery are identified and rectified.

Off-shore suppliers are audited by independent third-party auditors. As a business, we also maintain an audit Mutual Recognition Program (MRP) where we will accept other audit formats where they align to an international standard and meet our expectations for independence and timeline. Our MRP has been developed to reduce audit fatigue on the factory while ensuring social compliance including modern slavery risk management is at the forefront of our expectations.

We continue to uphold our supply chain governance through our Modern Slavery Policy and our Discrimination and Whistle Blower policies which apply to all Australian operations. Within our Modern Slavery Policy, we've developed a remediation process to ensure workers who suffer any form of modern slavery are always protected while maintaining control of their position. In addition, we also have governance controls in place for our Tier 1 suppliers via a confidential grievance mechanism for factory workers. Where a grievance is raised through the confidential mechanism, our HR team will investigate each incident to ensure workers are protected and ensure a satisfactory outcome is achieved. This mechanism was initially rolled out across our supply chain in 2022 and remains in place today.

As a business, our team remains committed to identifying new strategies and programs to eradicate all types of modern slavery, including taking the required steps towards introducing further risk mitigation initiatives to ensure workers are protected across our business operations.

RISK ASSESSMENT AND DUE DILIGENCE

From the very beginning, Cue has been a partnership led business. Whether with our suppliers, our retail team or our designers, we believe in communication that is built on mutual respect and loyalty. As a business, we actively engage or hold memberships with organisations who aim to protect supply chain workers including the Leather Working Group and the National Retail Association. We also participate in sustainable and ethical raw materials sourcing initiatives to develop more sustainable products, such as Australian Good Earth Cotton and FibreTrace®.

Over the years we have worked to maintain a small, professionally managed supply chain which enables us to work closely with our suppliers and manage our expectations.

Once the suppliers and factories used to manufacture our products have been aligned to a tier of manufacture, we use this alignment to help us to understand where the risk of modern slavery is greatest to our business, which allows us to focus our attention on these specific areas of risk. To simplify our supply chain and mitigate modern slavery risk, we always aim to work with vertical production factories where all stages of production occur in the same location.

Through our close working relationship with our suppliers, we have sound knowledge of our Tier 1 factories (100%). We

have continued to undertake further traceability of the deeper levels of our supply chain and at present, we have completed tracing 90% of the Tier 2 suppliers (wash, print, dye, etc.) used in the manufacture of our garments.

Sourcing the majority of our fabrics ourselves allows us to maintain strong governance and control over the process. As a result of the ongoing traceability program we undertake, we have now traced approximately 80% of our Tier 3 suppliers (fabrics, mills, spinners etc.).

In addition to our Traceability program, we require all Tier 1 suppliers to source the majority of Tier 3 materials (zips, buttons, labels and swing tags) from our nominated Tier 3 suppliers.

Tier 4 remains an opportunity and a continued area of focus. We actively seek and participate in traceability initiatives which include certifying a larger percentage of our Tier 4 raw materials' origin and properties.

Governance:

In addition to understanding our entire supply chain, we need to ensure we provide strong governance of both Cue Clothing Co. and our customers' expectations within the manufacturing processes. Our Code of Conduct and Supplier Agreements (established in 2021) have been rolled out to all current and new suppliers to ensure our expectations are clearly defined.

Where a case of modern slavery is suspected or identified, our Modern Slavery Policy sets out the expectations and actions we will adopt to resolve the issue which includes working with the supplier or factory involved to immediately protect the worker while establishing the root cause of the issue and also implementing immediate actions to protect the worker.

We are aware that a small amount of sub-contracting occurs within our supply chain when specialist machinery is required to manufacture specific processes on our garments. Where possible, our standard process is to select suppliers based on their capability and capacity to manufacture our garments without the use of sub-contractor factories. This gives us confidence that our products will be manufactured to our high standards. While we recognise this may increase our risk of unauthorised subcontracting by suppliers, we have strict expectations of our suppliers surrounding this area to mitigate this risk. All local factories, including sub-contractors, are audited by ECA.

Onboarding new suppliers is not something that occurs frequently at Cue Clothing Co. Where we do require the services of a new supplier or factory, we have controls in place to ensure we only onboard suppliers or factories that meet the expectations outlined in our Supplier Agreement and Code of Conduct. This process includes reviewing the factory standards through external third-party social compliance factory audits, factory pictures and capacity and capability assessments.

Visiting our suppliers and factories is key to building stronger partnerships. We support our suppliers and factories through team members visiting our offshore suppliers or through frequent conference calls with suppliers and factories to ensure we maintain regular connection. Through these discussions, we encourage supplier and factory feedback. We are proud to have fostered open and trusted partnerships over the years with our suppliers who know they can raise any concerns they have about our requests or expectations. This includes raising any issue directly with our senior management.

At the core of our sourcing program is our commitment to do the right thing and ensure our entire team adhere to responsible sourcing practices. This includes critical path management to ensure we don't impose unrealistic timelines on our suppliers. We have an established internal Responsible Purchasing Practices document which all members of our sourcing team adhere to. As part of the growth and development of our sourcing model, we continue to engage external resources to educate our team and implement best practice expectations.

The importance of our supply chain is communicated with our employees from day one, whether they work in our design studio, stores or warehouses. During team member induction and throughout their employment, all staff members receive training on the brand's history and operations. It is imperative that staff members have a strong understanding of the Cue Clothing Co. business as a whole and can communicate it to our customers and business partners.

Our company policies and core behavioral competencies emphasise a culture of inclusiveness, teamwork and being solutions oriented. We take reports of discrimination, bullying and harassment in the workplace very seriously and have a zero-tolerance approach to matters of this nature. As per our whistle blower policy, employees may raise concerns through our formal grievance channels and matters are investigated as a priority.

Training:

We recognise training is an important tool in understanding modern slavery risk and implementing actions to mitigate that risk across our supply chain and within our business operations. We have engaged an external industry expert to deliver training to our internal team on this important area including how to identify modern slavery risk and actions to take in the event a case is suspected or identified in early 2025.

Supplier Scorecard:

Another tool we use is our Supplier Rating (scorecard) system. Within our Cue sourcing team, we discuss suppliers, factories and their concerns or strengths quarterly which includes open discussions with our suppliers about their performance. We are working to build a more formal approach to how we rate our suppliers over the next year.

ASSESSING THE EFFECTIVENESS

Assessing the effectiveness of our Modern Slavery program is crucial to ensure what we are doing is working. To date, we have not identified any cases of modern slavery in our supply chain. We're very proud of this result, but we also know remaining vigilant and increased transparency across our manufacturing tiers will ensure modern slavery is not concealed or overlooked.

Through our factory social compliance audit program, factories are monitored for their compliance against internationally recognised human rights factors, such as modern slavery. These assessments are always completed by independent third-party bodies who audit factories on our behalf.

Within every audit, factory workers are interviewed in both an individual and group environment about multiple areas of compliance such as: their rights, working hours, working and living conditions as well as factory safety. Our factory auditors are experienced in asking the right questions and identifying any concerns within the workers' answers. We

welcome worker feedback and understand it's also important that workers voluntarily participate in the interview program.

We are committed to investigating opportunities of improvement over the coming year. This includes continuing to set more defined targets and establishing key performance indicators in our sourcing program to measure our effective risk assessment.

This Modern Slavery Statement has been jointly prepared by Cue Clothing Co. after consulting with its subsidiaries Cue Design Pty Ltd, Cue & Co Pty Ltd and Cue International (NZ) Pty Ltd.

Cue Clothing Co. operates through a Group head office management team that utilizes a shared services function to oversee operations for all subsidiary entities. The management teams of each reporting entity collaborate and consult to develop and implement Modern Slavery risk mitigation strategies across Cue Clothing Co. and its entities.

APPROVAL

This Modern Slavery Statement was approved by the Board of Directors of Cue Clothing Co., Cue Design Pty Ltd, Cue & Co Pty Ltd and Cue International (NZ) Pty Ltd and signed by Mr Eric Morris in his role as Director of CUE CLOTHING Co.

Signature

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Mr Eric Morris

Director

28/07/2025