

MODERN SLAVERY STATEMENT

This modern slavery statement (Statement) is made pursuant to the Modern Slavery Act 2018 (Cth) (Act) by PAS Group International Pty Ltd ACN 645 134 247 and its wholly owned subsidiaries and relates to the financial year 1 July 2020 to 30 June 2021 (Financial Year).

PAS Group Operations

PAS Group was established in 2004 and has been a leading Australian multi-category supplier of generic, licensed and branded product including children and adult formal and informal apparel and sporting apparel and equipment, both as a retailer, a wholesaler as well as a manufacturer since its establishment. PAS Group consists of four divisions and a portfolio of over 15 brands. PAS Group also creates private brand product for major Australian retailers and manufactures.

PAS Group has approximately 950 employees in a range of roles across the business including in its Melbourne head office, wholesale arm, retail division and warehousing across Australia. PAS Group has a small number of employees located in PAS Group's China office.

PAS Group's Policy and Principles

PAS Group is strongly opposed to any form of modern slavery and is dedicated to eliminating all forms of modern slavery from within its business and supply chain and recognises its responsibility to ensure that its supply chain is both ethical and sustainable.

PAS Group recognises that it plays a role in the global effort to eradicate modern slavery. For a copy of our Ethical Sourcing code and policies click [here](#).

PAS Group's Operations

PAS Group does not view there to be any substantive risk of modern slavery in its direct business operations. This includes PAS Group's Australian operations including its head office operations and its retail stores and operations.

PAS Group has comprehensive HR policies to ensure we comply with industrial relations laws, employment entitlements and awards both within Australia and PAS Group offices and facilities outside of Australia.

PAS Group's Supply Chain

The goods we supply to our customers are produced in third party supplier factories. These factories are not owned or operated by PAS Group. PAS Group has over 50 registered supplier factories contracted to produce goods for or on behalf of PAS Group. Our primary supplier factories are mainly located in China, and a small number are located in other Asian countries such as Bangladesh, India and Vietnam. We value

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our long term supplier partnerships, most of which we have had for many years.. These close relationships allow us to not only work hand in hand but also potentially mitigate any modern slavery or ethical sourcing risks.

Risks of modern slavery in global supply chains are dynamic, complex and often covered up. As part of risk mitigation process, The PAS group has developed rigorous onboarding process for all new suppliers along with comprehensive supplier policies which reflect our efforts to minimise the risks of modern slavery. Risk assessments are managed through supplier self-assessment questionnaires, mandatory annual audits which are conducted by independent third parties and frequent site visits by our local team who engages with suppliers at deeper level. We are constantly reviewing how our supply chain may cause, contribute to, or be directly linked to modern slavery practices. One of the methods we are utilizing is to engage with the Baptist World Aid (**BWA**) annual Ethical Fashion Report. Their strict review process enables us to oversee our continuous improvement in ethical and sustainable sourcing fields. PAS Group recognises that the fashion industry supply chain carries a high risk of modern slavery. Our supply chain encompasses manufacturing to material sourcing and harvesting of raw materials such as cotton. Of particular concern to the PAS Group is identifying instances of forced labour and child labour, debt bondage, the use of labour brokers and unauthorised subcontractors as well as diminished labour rights of people working in its overseas supply chains. Our primary sourcing suppliers in China and Bangladesh present a high risk of modern slavery due to geographical, operational and Governance controls and inherent practises in the fashion industry.

PAS Group's Risk Management and Due Diligence Processes

The need to manage the modern slavery risk in PAS Group's supply chain is a key consideration in how PAS Group operates and PAS Group is committed to conducting its business in a moral and ethical way and recognises the need to establish and maintain corporate governance practices which reflect and comply with the legal and regulatory frameworks.

Auditing, strong policies, contracts, monitoring, and worker engagement are the PAS Group's key program controls to manage potential or actual risks of modern slavery in its operations and supply chain. PAS Group only works with companies who are committed to complying with all applicable laws and have implemented the relevant company policies designed to tackle the risk of slavery in its business and supply chain management. In addition to PAS Group's diligence into companies, sourcing suppliers and supplier factories, we have established a dedicated ethical sourcing program to address the risks of modern slavery and ensure that minimum standards such as minimum wages and working conditions are met. Key elements of the program include:

1. the use of external consultants and specialists to assist our team to develop and maintain adequate supply chain governance practices;
2. a robust monitoring and auditing program (conducted by third party auditors) and including unannounced audits to ensure ethical sourcing requirements;

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3. a corrective action process to deal with and close out noncompliance cases;
4. annual supplier reviews;
5. a dedicated ethical sourcing and compliance team based in Australia and China work hand in hand with our suppliers and factories;
6. a strict and thorough onboarding process for all new suppliers and partners to ensure our ethical sourcing policies are understood, actioned and adhered to; and
7. participation in BWA annual Ethical Fashion Report which emphasises reducing modern slavery, environmental impact and improving working conditions for workers by evaluating our risk mitigation strategies, remediation processes and future plans in the following 4 key categories:
 - a. policies and governance;
 - b. tracing and risks;
 - c. supplier relationships and human rights monitoring; and
 - d. environmental sustainability.

However, PAS Group recognises that despite its best efforts, PAS Group, through its supply chain, can be indirectly exposed to the risk of modern slavery.

PAS Group has implemented risk management processes to identify, assess, mitigate and monitor potential risk areas where it could be exposed to modern slavery concerns. This includes:

1. a comprehensive set of policies and procedures that articulate its values, ways of working and expectations of its team and suppliers, that are reviewed regularly. This policy framework ensures that its team members and suppliers clearly understand its expectations, and equally that they can recognise when they are being treated in a way that is inconsistent with these expectations and understand how to raise a grievance or complaint;
2. due diligence and ongoing monitoring with respect to consultants, advisors, contractors, sub-contractors, suppliers and other service providers providing goods or services to PAS Group; and
3. staff, supplier and contractor training (see 'Training and Communication' below).

In the Financial Year, PAS Group did not identify any instances of modern slavery associated with its operations.

Training and Communication

PAS Group provides training and support to all employees and contractors (not limited to management who are responsible for contract management) in order to raise awareness of modern slavery in the supply chain and reduce the modern slavery risk to PAS Group.

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The PAS Group conducts internal training of its buying and sourcing teams to ensure they have a clear understanding of the PAS Group's expectations for ethical sourcing. In addition, the PAS Group includes training on understanding the signs of modern slavery and what to do if an employee suspects any form of modern slavery is taking place within the supply chain.

PAS Group's recruitment processes are managed by an Australian based external HR firm, and all employees and contractors are inducted under a formal induction program which reflects PAS Group's commitment to promoting the highest standards of ethical behavior and social responsibility to ensure that its business and relationships are based on integrity.

The formal induction program includes awareness training in respect of applicable HR policies, which include:

- code of business conduct and ethics;
- grievances and whistleblowing policy; and
- training standard for health and safety at the workplace.

These policies include, among other things:

- guides the behavior of all employees and contractors by clearly stating the business' commitment to behaving honestly and fairly;
- encourages all employees and contractors to submit feedback directly or indirectly through their representatives, as well as anonymously; and
- ensures that all employees and contractors are safe and properly and sufficiently trained.

PAS Group is committed to the highest ethical standards and will continue to review the effectiveness of its policies, procedures and training in order to eradicate slavery, human trafficking, forced or child labour or child exploitation in its business.

Whistleblower Policy

To further mitigate any risk, PAS Group has a whistleblower protection policy which promotes honest and ethical behaviour by providing a framework for the escalation of reportable conduct. This whistleblower protection policy applies to employees, suppliers and contractors of PAS Group, including third party vendors and goods and service providers. A disclosure may be made in accordance with the whistleblower protection policy.

Assessing Effectiveness

PAS Group is dedicated to improving the knowledge of our supply base, and educating our suppliers in key areas of ethical risks, gender equality, and modern slavery. Due diligence processes have been set to assess

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and constantly improve our processes and reduce the modern slavery risk to PAS Group. This includes (but not limited to):

1. annual review of our approach to modern slavery;
2. examination and update to our risk assessment process;
3. investigate reported breaches and make improvements as an outcome of our auditing process; and
4. conduct regular audits to ensure suppliers are compliant with our code of conduct.

PAS Group is committed to an ethical and responsible approach to our business. We actively seek to improving the lives of the workers within their supply chain. Some of our future planned activities include:

1. our commitment to achieving full traceability of our supply chain across all stages of manufacture;
2. focusing on continuing to build strong relationships and trust with suppliers, leading to greater transparency;
3. refining our database, policies and training schedules; and
4. continuing to promote our robust whistleblower mechanisms.

The PAS Group tracks its performance through a combination of internal and external mechanisms, and it uses these mechanisms to assess the performance of each activity undertaken.

The PAS Group has integrated the outputs and, in some instances, the outcomes of key activities throughout this Statement using many of the following measures:

Area	Activity	Measurement
Risk Identification	<ul style="list-style-type: none"> • Rigorous supplier onboarding process • Supplier self-assessment questionnaire (SAQ) • Annual risk assessments based on public data and audit results • Regular Site visits by local team 	<ul style="list-style-type: none"> • 100 % assessment of all tier one suppliers, with plans to expand • 100% of new tier one suppliers to complete the onboarding process
Risk Management and Monitoring	<ul style="list-style-type: none"> • Annual third-party audits • Internal audits • Collective training and guidance regularly conducted by local team • Corrective Action plans with suppliers • Participation in BWA report 	<ul style="list-style-type: none"> • 100% of tier one suppliers to complete annual audits • 100% of tier one suppliers to submit corrective action plan for noncompliance issues • Number of site visits • Number of suppliers suspended or ceased trade

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Risk management enhancement

- Robust whistle blower policy
- Offsite interviews with workers conducted as part of audits
- Platforms for workers to raise their concerns
- Regular calls and in person check ins with factories
- Complaint box responses
- Successful worker remediation

Governance

- Consultations with third-party field experts
- Up to date Policy reviews to reflect our commitment
- Engagement with external resource such as participation in webinars
- Scheduled yearly review and alignment of policies
- Updating requirements as per industry best practices

COVID-19

PAS Group International Pty Ltd recognises the impact the COVID-19 Pandemic has had across our business operations internally and our end-to-end supply chain.

Over the last 2 years, we have worked to continue to support our Suppliers and factory workers. To ensure we achieved this goal, we implemented a number of key initiatives through the COVID-19 period such as:

- implementing and maintaining COVID safe operations by adhering to all government guidelines and requirements;
- provided a safe workplace for head office team members by restricting attendance in the office to business-critical roles and ensuring PPE and protection measures were in place;
- continued to maintain Supplier & Factory relationships;
- supplier and product discussions were held weekly via conference call facilities;
- maintained all purchase orders that were in production at the time of the COVID outbreak;
- phased existing and future purchase orders rather than cancel orders with Suppliers;
- Pay Suppliers on time and in line with our standard payment terms; and
- Did not require any discounts on purchases as a result of COVID.

Our teams have missed the opportunity to visit our Suppliers and factories in person. As we start to come out of the COVID restrictions and lockdowns, we look forward to recommencing normal business operations and travel to sourcing markets when opportunities present again in the future.

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Consultation

During 2021, the senior management team of PAS Group International Pty Ltd and its wholly owned subsidiaries engaged in ongoing research and discussions on the actions we have implemented. These actions and discussions formulated this joint 2021 Modern Slavery Statement.

FY2022

The PAS Group is committed to identifying and remedying modern slavery risks in its supply chain and operations. It has a plan for continuous improvement and will share further supply chain advances in its next Modern Slavery Statement.

Approval

This statement was approved by the Board

Signed,



Eric Morris
CEO