



2021

Modern
Slavery
Statement



HANES Brands
A U S T R A L A S I A

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About this statement

The Australian *Modern Slavery Act 2018* (Cth) aims to support the Australian business community to identify and address their modern slavery risks and maintain responsible and transparent supply chains through the publication of an annual Modern Slavery Statement ("Statement"). The Statement allows consumers to make better and more informed decisions about the products they buy and the companies they support.

HBI Holdings Australasia Pty Ltd (ABN: 52 612 185 476), as a parent company, issues this joint Statement on behalf of itself and each of its subsidiaries and reporting entities that are subject to the Act for the year ended 31 December 2021.

For the purposes of this statement, HBI Holdings Australasia Pty Ltd and each of its subsidiaries are collectively referred to as "Hanes Australasia" (see Appendix for list of entities).

This Statement has been reviewed and approved by the HBI Holdings Australasia Pty Ltd Board of Directors on 28 June 2022.

Introduction

Hanes Australasia is part of Hanesbrands Inc.

Hanes Australasia is part of the Hanesbrands Inc. group of companies ("Hanesbrands", "Hanesbrands group" or "HBI"), a publicly listed company on the New York Stock Exchange (NYSE: HBI) with an established industry-leading responsible sourcing program which has been in place for more than 20 years.

We are committed to respecting the human rights and dignity of everyone and support international efforts to promote and protect human rights. We will not tolerate any abuse of human rights in our operations or in our supply chain, which is the basis of our Human Rights Policy.

The term 'modern slavery' is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. It includes forced labour, forced marriage, slavery, servitude, debt bondage, deceptive recruiting for labour or services, human trafficking and the worst forms of child labour (where children are subjected to slavery or similar practices, or engaged in hazardous work). Hanes Australasia has a zero-tolerance policy against such issues.

We understand that businesses alone cannot eradicate modern slavery in isolation and that collaboration with civil society, government and other stakeholders is important. We acknowledge the important role companies play in helping to prevent the occurrence of modern slavery throughout their business activities.

CEO message



Creating the fabric of a better life for people and planet

This is Hanes Australasia's second Modern Slavery Statement, and I am proud to share the processes, systems and actions we have taken to identify, manage and mitigate the risk of modern slavery within our operations and supply chain.

At Hanes Australasia, our actions are guided by our purpose to 'create the fabric of a better life for people and planet'. Core to this purpose is our commitment to upholding the human rights of all people who play a role in creating and bringing our products to life for our customers and continuously assessing and responding to the risk of modern slavery throughout our supply chain.

Hanesbrands has a strong reputation for ethical business practices and has well-established and rigorous standards for both its company-owned facilities and its suppliers. The Hanesbrands group is a fully accredited member of the Fair Labor Association (FLA), an internationally recognised non-governmental organisation (NGO), whose goal is to advance labour rights globally and to help industry appropriately address a range of complex issues – including the eradication of forced and slave labour across the supply chain.

During the year Hanesbrands has made meaningful progress to identify and mitigate the risk of modern slavery in our operations. In particular we have:

- Improved the transparency of our supply chain by sharing a full facility location map on our sustainability website [hbisustains.com](https://www.hbisustains.com)
- Commenced a risk assessment of our goods not for resale and services suppliers
- Continued to transition the production of our products to more sustainable and traceable alternatives

We will continue to look for opportunities to strengthen our systems and processes to ensure the protection and wellbeing of all people working in our operations and throughout our supply chains.

Tanya Deans
President, Hanes Australasia

Our business structure, operations and supply chain

Our structure and operations

Hanes Australasia is home to some of Australia's most recognised apparel and lifestyle brands. Our brand portfolio includes Bonds, Berlei, Bras N Things, Champion, Dunlopillo, Explorer, Fairydown, Jockey Australia and NZ¹, Kayser, Playtex, Razzamatazz, Rio, Sheer Relief, Sheridan and Voodoo.

Hanes Australasia designs, sources, markets, distributes and sells product via wholesale partners, distributors and through our own retail network, which includes 556 stores and 11 online stores.

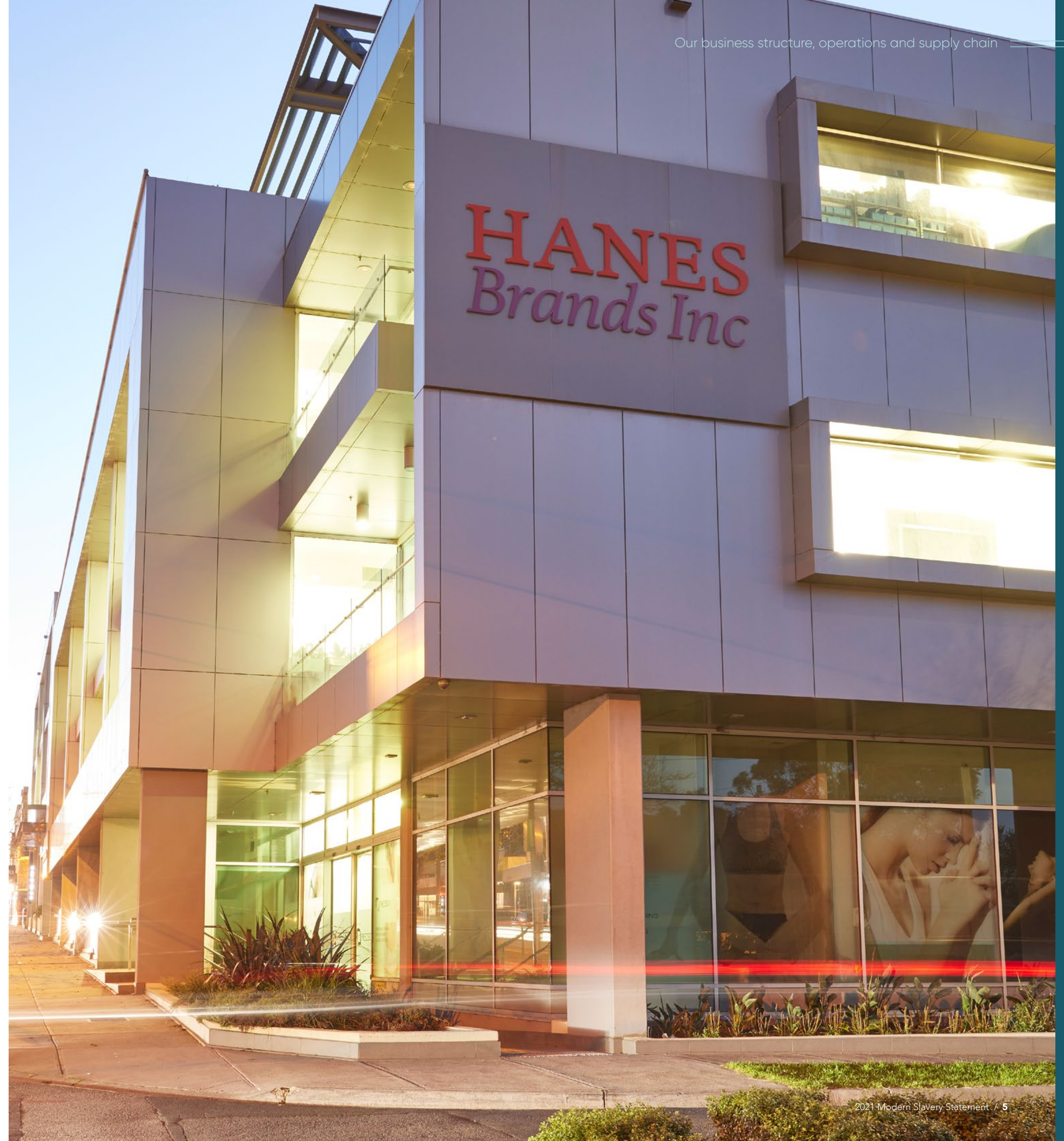
Headquartered in Melbourne Australia, Hanes Australasia has over 6,600 employees and operates throughout Australia, New Zealand, China, India, Indonesia (including our own manufacturing facility), Pakistan, South Africa and the United Kingdom.

Hanes Australasia is part of the Hanesbrands group of companies. Hanesbrands makes everyday apparel that is known and loved by consumers around the world for comfort, quality and value. Among the company's other iconic brands are Hanes, the leading basic apparel brand in the United States; and Champion, an innovator at the intersection of lifestyle and athletic apparel.

As a total group, Hanesbrands employs 59,000 people in 33 countries and has built a strong reputation for workplace quality and ethical business practices.

Unlike most apparel companies, Hanesbrands group makes nearly 70% of its clothing in facilities that it owns or directly controls. This not only impacts cost, scale and flexibility, but also supports our ability to adhere to best-in-class workplace practices and improve our company's sustainability.

1. Under license from Jockey International, Inc.



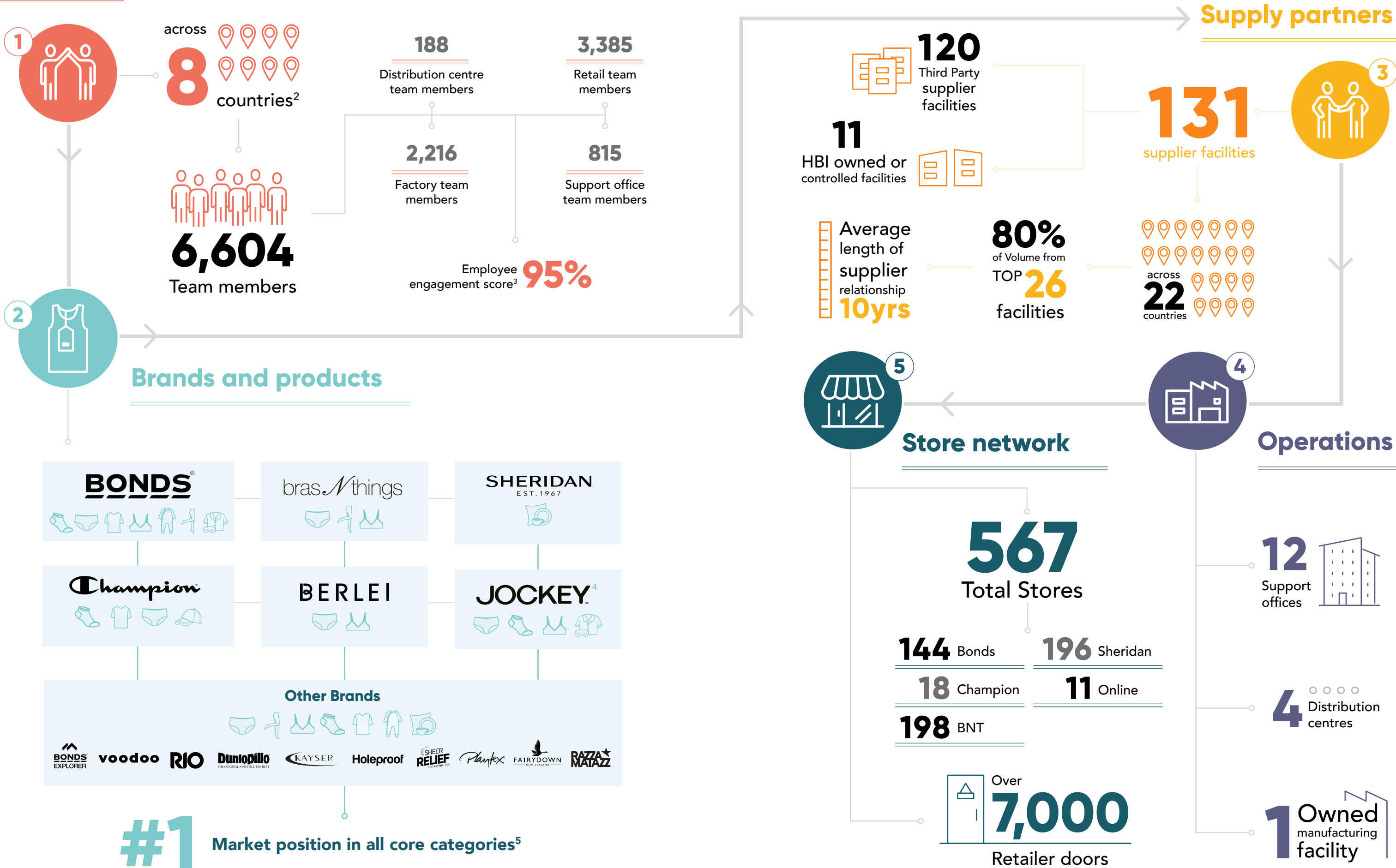


Figure 1: Overview of Hanes Australasia operations included within the scope of this report

2. Australia, New Zealand, China, India, Indonesia, Pakistan, South Africa, United Kingdom
 3. Engaged and highly engaged
 4. Jockey Australia and New Zealand, under licence from Jockey International Inc.
 5. Core categories includes underwear, bras, socks, hosiery, babywear and premium bedlinen



Our supply chain

Hanes Australasia's supply chain can be broadly grouped into the following categories:

Goods for resale

Finished products such as apparel, homewares, underwear, socks and hosiery, sourced through both Hanesbrands group owned manufacturing facilities, as well as third-party suppliers.

Goods not for resale

Includes items such as IT equipment, office supplies and consumables and retail store fit-outs.

Services

Includes cleaning, customer support, finance, IT software and support, marketing, professional services, transport and logistics and warehousing.



Figure 2: Hanes Australasia goods for resale manufacturing locations, 2021

Our operations are supported by both Hanesbrands group owned manufacturing facilities, as well as a network of third-party suppliers. Outside of our owned manufacturing capability, these suppliers are essential to our business. We work diligently to ensure we only do business with those who share our strong ethical values.

Of the goods manufactured by third-party suppliers, the vast majority are produced by those that we have direct and longstanding relationships with.

During 2021, Hanes Australasia manufactured and/or sourced 97% of its goods for resale from Australia, Cambodia, China, India, Indonesia, Pakistan and Vietnam. The remaining 3% was sourced from Bangladesh, Canada, Denmark, El Salvador, Honduras, Italy, Jordan, Myanmar, Portugal, South Korea, Sri Lanka, Taiwan, Thailand, Turkey and the United States of America.

Hanesbrands group publishes a global facility location map of all owned and supplier facility locations, which can be found on <https://hbisustains.com/transparency-map-2/>.

Governance

Hanesbrands group has a corporate governance framework that is underpinned by various policies, procedures and standards. At a global level, commitment to sustainability and corporate responsibility begins at the very top with the Hanesbrands Board of Directors. The Board oversees the totality of our Global Ethics and Compliance (GEC) and supplier responsible sourcing program and is responsible for the approval of our Human Rights Policy, Global Code of Conduct and Global Standards for Suppliers.

The HBI Audit Committee, CEO and executive leadership team have direct responsibility for overseeing these programs and receive regular reporting on human rights risk management as part of the company's Enterprise Risk Management (ERM) process and through frequent updates.

Our Corporate Social Responsibility (CSR) / Compliance function, reporting to the General Counsel, Corporate Secretary & Chief Compliance Officer is responsible for the design and implementation of the GEC and responsible sourcing programs. Our CSR works with independent third-party auditors, our global operations team and corporate functions to implement and manage these programs, globally.

Our global supply chain function and each regional division, including Hanes Australasia, are accountable for addressing any non-compliance with the responsible sourcing program and are charged with working with suppliers on continuous improvement of their compliance scores.

The President of Hanes Australasia and the Hanes Australasia Leadership Team receive regular reports on Hanes Australasia's compliance levels, remediation activities and modern slavery risk management from the global CSR team, as well as the Hanes Australasia Sourcing and Sustainability and Risk teams.



Figure 3: HBI and Hanes Australasia governance structure

Identifying risks of modern slavery practices

Modern slavery is a complex dynamic that is reported to occur in every region of the world, crossing borders, sectors and jurisdictions. The following industry risks, as defined by the Act, are most relevant to our supply chain:

Forced labour or child labour

- Restrictions of movement, intimidation, threats, and human trafficking

Bonded labour

- Payment of recruitment fees or associated costs, and retention of identity documents

Deceptive recruitment

- False promise of a job, benefits or conditions

Exploitation of vulnerable workers

- In particular female and international migrant workers

Un-authorised subcontracting

- Outsourcing of all or part of production to un-authorized facilities

Figure 4: Industry modern slavery risks

Hanes Australasia believes the risk of modern slavery in our internal operations is low.



Our operations

Hanes Australasia believes the risk of modern slavery in our internal operations is low. The health, safety and wellbeing of our team members remains our highest priority, and we have well established policies and practices in place to protect employees, including universal access to an independent, confidential grievance reporting system (see further detail later in this report).

We employ over 6,600 full time, part time and casual employees across our operations in Australia, China, India, Indonesia, New Zealand, Pakistan, South Africa and the United Kingdom, with most directly employed on full time, part time or casual/temporary contracts.

Hanes Australasia recognises and respects the right of all employees to exercise their right to freedom of association and right to collectively bargain. Approximately 86% of employees are employed under an Award or Enterprise Agreement, with the remaining 14% employed on individual agreements underpinned by national and local government laws.

All agreements include details regarding minimum pay, hours of work, deductions and leave entitlements, health and safety, and termination of employment.

In addition, Hanes Australasia indirectly engages casual labour hire employees to support in one of our Australian distribution centres. These casuals are employed and paid by labour hire agencies. Hanes Australasia oversees their day-to-day work on our premises. Contractual obligations with the labour hire firms stipulate compliance with Australian laws including payment of Award wages.

Our supply chain - goods for resale

The products Hanes Australasia sells in its stores, online and through its wholesale partners are sourced from a combination of our owned manufacturing facilities, as well as third-party suppliers. All suppliers and owned manufacturing facilities are included within the scope of our comprehensive Responsible Sourcing Program and subject to further risk assessment.

In assessing our risks, Hanesbrands group utilises data generated through our Global Standards for Suppliers (GSS) audit program which includes an ongoing scored audit process, providing detailed information about our substantive and geographic risks, globally. We have provided an overview of our GSS program later in this report. We also receive extensive and actionable feedback from the Fair Labor Association's (FLA) sustainable compliance methodology (SCI) audit process and through ongoing engagements with civil society organisations (CSOs).

Geographic risks

During 2021, Hanes Australasia products were sourced from approximately 131 facilities, including both owned manufacturing and third-party facilities, located across 22 countries. These countries included Australia, Bangladesh, Cambodia, Canada, China, Denmark, El Salvador, Honduras, India, Indonesia, Italy, Jordan, Myanmar, Pakistan, Portugal, South Korea, Sri Lanka, Taiwan, Thailand, Turkey, the United States of America and Vietnam.

Some suppliers operate in countries with higher risks of modern slavery. This includes countries with poor governance frameworks, weak labour law enforcement, larger populations of migrant workers, or countries reported to have a higher prevalence of modern slavery violations.

We review global risk indices such as the Global Slavery Index⁶, Transparency International's Corruption Perception Index⁷ and the Children's Rights in the Workplace Index⁸ and consider these as part of our global Responsible Sourcing Program.

6. <https://www.globallslaveryindex.org/>
 7. <https://www.transparency.org/en/cpi/2021>
 8. <https://www.childrensrightsatlas.org/country-data/workplace/>

Industry risks

The apparel industry is broadly structured into four tiers, as indicated in the diagram below.



Figure 5: Supply chain tiers

Hanes Australasia has a direct relationship with all tier one suppliers, many of which have vertically integrated fabric mills and dye houses (tier two operations). Our teams also have visibility into nominated fabric suppliers via our tier one suppliers, included as part of our raw material specifications, allowing increased visibility into our supply chain and monitoring of ethical sourcing compliance. There may be a heightened risk of modern slavery among non-vertically integrated or unnominated suppliers, particularly those operating independently at lower levels of the supply chain (i.e. tiers two and below), where visibility is not as clear given the indirect nature of these supply relationships to Hanes Australasia. This includes non-vertically integrated fabric production facilities; yarn and synthetic fibre producers; and raw material suppliers, such as cotton farms and synthetic fibre polymerisation.

Heightened risks due to COVID-19 pandemic

We continue to closely monitor COVID-19 specific risks around migrant workers, labour compensation and COVID-19 safety standards throughout our supply chain. Key risks identified that may have been exacerbated by COVID-19 are outlined below. As described later in this document, we work proactively to manage and minimise these risks.

Vulnerable populations - international migrant workers

International migrant workers may be at increased risk of being subjected to exploitative recruitment practices, including forced and deceptive recruitment practices (around working conditions, housing and living conditions, wages / compensation etc.). These migrant workers may also accumulate debt in order to pay recruitment fees to secure employment. Supplier facilities that use third-party labour hire companies, agents or labour brokers to source workers from overseas increase the risk of exploitative recruitment practices by reducing visibility of the recruitment practices.

Forced and bonded labour

Workers may also face reduced freedom to terminate their labour contracts after either incurring recruitment fees and associated costs (e.g. air tickets) and / or personal loans which are provided by their employer. These workers may be required to work for long periods to repay outstanding debts (by wage deduction or reduced severance pay).

Unauthorised subcontracting

Unauthorised or hidden subcontracting can occur and happens when suppliers outsource all or part of their production orders to a third-party, without obtaining prior consent from the purchaser. This can be tied to non-compliant working conditions. During the COVID-19 pandemic, there has been an upward trend of unauthorised subcontracting in the industry.

Impact of country lockdowns

With the global apparel industry continuing to experience unprecedented uncertainty due to the pandemic, the ability for some workers to earn an income has been significantly reduced due to country and regional level lockdowns. Some governments provided subsidies to affected workers.

Product risks

In addition to the risks identified above, Hanes Australasia has identified cotton as a key raw material used in its supply chain with a higher risk of modern slavery, particularly with respect to cotton cultivation in higher risk geographical regions.

Hanesbrands has a zero tolerance to forced labour anywhere in our supply chain.

We have a long history of broad and effective engagement with relevant stakeholders on difficult human rights issues. We are committed to continue working with our industry peers, labour advocacy groups, governments and other stakeholders to eradicate forced labour and human rights violations.

Further, as part of our sustainability strategy and goals, we are continuing to transition towards more sustainable raw material alternatives that provide third-party certifications and valid traceability. For example, more sustainable cotton includes Australian and U.S. grown, organic, recycled or sourced from reputable sustainable cotton programs. During the reporting period, we have also extensively surveyed our global supply chain to ascertain the origin of cotton used in our products. Results from this work indicate that we are not using any cotton from prohibited regions in our products.

Goods not for resale and services

Hanes Australasia procures goods and services to support our retail stores, support offices and distribution network, as outlined below:

Goods not for resale

- IT equipment
- Machinery and material handling equipment
- Office and store supplies and consumables
- Packaging
- Retail store fit-outs

Services

- Accounts payable and receivable support
- Cleaning and maintenance
- Customer service support
- Financial services
- IT and e-commerce services and support
- Marketing agencies
- Professional services
- Property leasing
- Third-party logistics, freight and warehousing
- Utilities

A large proportion of the service industries we engage with for our operations are based in Australia. Whilst the risk of modern slavery occurring in Australia is low compared to other parts of the world, modern slavery can exist domestically. To mitigate this risk, within our contracts we include obligations to comply with Australian law and our company's policies.

We also engage services in other regions where we have operations, and we procure goods not for resale which are subject to international supply chains.

In the reporting period, we commenced mapping and analysis of modern slavery risks associated with the procurement of these goods and services. This included performing a risk analysis of spend by country, sector, industry and category to ascertain suppliers to prioritise for further due diligence. During 2022 we will continue this work.



A large proportion of the service industries we engage with for our operations are **based in Australia.**

Mitigating and remediating risks of modern slavery

Policy framework

Hanes Australasia, as part of Hanesbrands group, is proud to have implemented a rigorous set of standards for both our company-owned facilities and suppliers. These standards articulate our values and expectations in relation to human rights and responsible sourcing. The following policies are those most relevant to preventing modern slavery among our team members and workers in our supply chains and operations:

Global Code of Conduct⁹

Our Global Code of Conduct (GCC) applies to all employees of Hanesbrands group. It underpins our Global Ethics and Compliance program and includes seven fundamental principles that guide our behaviour every day:

- We *always* abide by the law and are true to our principles.
- We *never* bribe.
- We respect human rights.
- We stand behind our products.
- We are honest and transparent with the public.
- We treat others as we want to be treated.
- We are committed to environmental responsibility.

This guiding policy is shared across our entire global business and employee base, has been translated into 23 languages and is available online to make it accessible for everyone. All employees are required to sign the Code, attesting that they have received it and agree to comply with it.

9. <https://hbisustains.com/wp-content/uploads/2020/09/HBI-COC-2020-Print-Manual.pdf>
 10. <https://hbisustains.com/wp-content/uploads/2020/10/Human-Rights-Policy-102020.pdf>

Global Human Rights Policy¹⁰

Respect for human rights is fundamental to our business, and we are committed to ensuring that all people are treated with dignity and respect and to providing certain fundamental rights at work so that all those working for us can fully achieve their human potential. This policy applies to all employees and owned operations, as well as to our third-party suppliers and their employees.

In developing this policy, Hanesbrands was informed by the:

- International Bill of Human Rights;
- International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work; and
- United Nations Guiding Principles on Business and Human Rights.

Key human rights focus areas include:



Figure 6: Human rights focus areas

Global Standards for Suppliers¹¹

Our Global Standards for Suppliers (GSS) applies to all facilities involved in the production of Hanesbrands products anywhere in the world, including our owned facilities. Consistent with our Global Human Rights Policy, our GSS is primarily based on international labour and human rights standards and the Fair Labour Association’s (FLA) Code of Conduct.

Our GSS includes requirements across the following compliance areas:



Figure 7: GSS compliance areas

11. <https://hbisustains.com/global-standards-for-suppliers/>

We believe that all workers at our owned and supplier factories have the right to freely choose employment and to freely associate and collectively bargain. Our standards specifically prohibit forced or involuntary labour whether bonded, prison or indentured, including debt servitude.

All finished goods facilities must undergo a GSS assessment by an approved external auditor before production begins. This is then followed-up with ongoing internal work and external annual assessments. We have a zero-tolerance policy against certain issues which will lead to us immediately terminating our business relationship (see further detail later in this report).

Sourcing restrictions are also in place for higher risk and legally precluded jurisdictions. A violation to this provision constitutes a zero-tolerance violation and will result in immediate cessation of all business with Hanesbrands group.

Employee training

We regularly train all employees on the requirements of our Global Code of Conduct (GCC) and all management-level employees are required to undergo online training annually. We believe a thorough understanding by all team members of the requirements of these standards is critical to mitigating risks associated with such critical modern slavery issues.

Our Global Ethics and Compliance (GEC) program offers videos, e-learning modules and live training to all employees. In addition, each year Hanesbrands group holds an intensive GEC month across all global locations to reinforce the importance of our ethics program and human rights issues.

Regular training on our Global Human Rights policy, GCC and GSS is routinely provided by the Hanesbrands group CSR team to relevant supply chain management, procurement, human resources, facility management and compliance teams. Training includes details on our scorecard auditing process and the expectations we have for everyone along the value chain as it relates to human rights. This training can take various forms, from simple discussions at relevant staff meetings to in-depth, multi-hour, formal training on the details of our program covering all core human rights and relevant International Labour Organization (ILO) standards.

Hanesbrands group purchases an annual education pass from the FLA for each member of our CSR team that grants them unlimited access to the FLA's comprehensive training program. Through this program, our team completes an annual curriculum oriented towards the enhancement of their individual abilities to tackle complex issues that are present in the global supply chain.

Supplier agreements

We expect all of our suppliers to act in a responsible manner and in accordance with prevailing local and international legislation. To ensure that our suppliers live up to our values, our finished goods suppliers are required to sign a comprehensive agreement which, among other things, requires them to comply with all applicable laws (which include those regarding forced labour and human trafficking) and our Global Standards for Suppliers. We expect our suppliers to impose similar obligations on their own supply base.

Our suppliers of component materials and parts to our owned manufacturing facilities are also required via our purchase order process to comply with our Global Standards for Suppliers and all applicable laws.

12. Elevate, ICG, SCSA and One-step (for Vietnam only)

Responsible sourcing program

We have consistently worked for many years to audit suppliers to ensure that forced labour and human trafficking is not taking place in our supply chain. The intensity and frequency of these audits vary based on our risk evaluations and also on the historical performance of a given factory in our internal and external audits.

All finished goods suppliers must undergo an initial audit to verify compliance with applicable laws and the requirements of our Global Standards for Suppliers before production begins. All active suppliers and owned facilities are required to then have ongoing annual assessments. To ensure accuracy and integrity, the initial and annual assessments are conducted by independent third-party auditors from internationally recognised audit firms¹². Our policy is to conduct all audits on an unannounced basis.

All third-party audits include an initial management interview; facility and dormitory (if applicable) tours; payroll analysis; policies, training and employees' records review; confidential employee interviews that cover such issues as working hours, payment practices, freedom of association, forced labour, child labour and disciplinary practices; and a closing meeting with management.

A facilities performance is measured using a detailed audit scorecard¹³ with more than 200 questions across five key areas:



GSS Audit Protocol contains



Figure 8: Overview of GSS Audit Protocol

Each applicable question is scored based on the auditor's observations. If the facility does not meet audit requirements, points are deducted and the appropriate corrective and preventive actions to remediate such non-compliances are required.

Based on a facility's audit performance, their compliance scores are rolled-up by section, and a final overall score is calculated. **Suppliers are ranked into five possible compliance levels:**

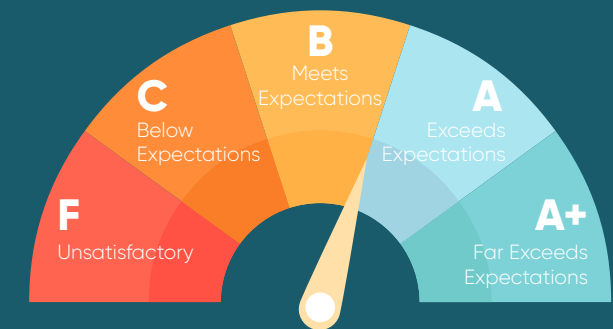


Figure 9: GSS Compliance Levels

The lowest-scoring facilities are placed on our Alarm Report for flagged high risk violations that need immediate action.



13. <https://hbisustains.com/wp-content/uploads/2020/08/GSS-2020-Audit-Scorecard.pdf>

Responsible sourcing program (continued)

Embedded within the Hanesbrands group regional operations is a dedicated team of internal corporate social responsibility/ compliance (CSR) staff who ensure strong oversight of the GSS program and the corrective action process. Our CSR teams visit facilities on an unannounced basis to confirm adherence to corrective action requirements.

To support the entire GSS process, we use a sophisticated centralised software tool, our Global Vendor Management System (GVMS), which tracks and manages all supplier audit data from facility on-boarding to audit assignment to completion of the audit report and management of the corrective action process. By using a scored auditing tool, we can numerically track improvement (or lack thereof) over time and the effectiveness of our action plans.

Improvements on issues like hours worked are often driven by the leverage we have with a facility. We have learned through this process that we need fewer, larger facilities to have the leverage to continue to sustainably effect positive change on a range of human rights issues. This strategy is driving our sourcing model and buying decisions.

Between owned, contractor and licensee facilities, Hanesbrands group are currently monitoring 600 sewing, decoration and textile facilities, with over 82% of global facilities scoring B or above.

We routinely use the data generated from our program to make decisions on which facilities we should focus our remedial efforts on, and those which should be excluded from our supply chain network. In 2021, the Hanesbrands group refused to initially enter or terminated its relationship with 90 facilities. Of these, 51 were exited because of zero-tolerance violations. Facilities that are “disapproved” for zero-tolerance or other violations not remediated in a timely manner remain “disapproved” for a minimum of one year.

Following is the list, by category, of high risk violations that can result in a facility being removed from our approved suppliers list:



Figure 10: GSS High Risk Violations

Adjustments made to GSS audit protocol due to COVID-19

Throughout the COVID-19 pandemic, we have endeavoured to maintain our audit program wherever possible (subject to government restrictions and mandates) and have considered advice from third-party auditors, using different ways of working such as remote and virtual remediation testing procedures, where required.

Where we normally conduct unannounced audits, during the reporting period we continued our temporary adjustment to a semi-announced basis with a two-week audit window in some cases to allow for COVID-19 safety control procedures regarding site access. With restrictions starting to ease across many regions in 2022, we are reverting to unannounced and semi-announced physical audits with virtual audits only to be conducted on a by exception basis.



Supplier dialogue and capacity building

We maintain an ongoing focus on training, capacity building and the building of long-term relationships with our supply partners. Supplier training is conducted by our internal CSR / compliance team. Training targets both mid-level and upper-level management of facilities and covers all aspects of our Global Standards for Suppliers, including labour relations and our GSS assessment process. Training is also conducted at our supplier conferences that are attended by facility owners and / or general managers.

Hanes Australasia also uses LEAN methodology to improve and strengthen relationships with suppliers and build their capacity. The LEAN program has established a culture of sharing and learning not only between suppliers and our company, but also between our suppliers. We have led various site visits with our suppliers to share best practices in production, social compliance and sustainability. Globally, Hanesbrands extensively trains all internal facilities using LEAN methodology.

Grievance mechanisms

The Hanes Australasia Whistle-blower Policy and the Hanesbrands group Global Code of Conduct contains details on how our 59,000 employees can make a report under the policy.

To help our employees report ethical or conduct concerns that do not reflect our values, Hanesbrands operates toll free resource lines and a dedicated email address that are available to all global employees 24/7, 365 days a year, answered in 23 languages by third-party provider Navex Global.

When an employee makes a report, Navex immediately notifies a dedicated team in the United States. This team triages each case and assigns it locally to trained investigators in its global Code of Conduct Officer network. Every case, no matter how small, is fully investigated, elevated as appropriate to members of management, and brought to proper closure.

Confidentiality is strictly maintained around all reports. We also maintain strong policies forbidding retaliation against employees who come forward in good faith with an issue and provide anti-retaliation training across our global operations.

Hanesbrands will continue our long commitment to providing appropriate outlets for our employees to come forward. It's the right thing to do for our people and the right thing for our business. We equally expect our third-party suppliers to have similar, appropriate grievance systems, and monitor them through our scorecard auditing process.

Multi-stakeholder Initiatives

Hanes Australasia, as part of the Hanesbrands group, participates in several industry associations and programs that aim to protect workers' rights and minimise the risks of modern slavery.

These include the Fair Labor Association, the American Apparel & Footwear Association (AAFA)¹⁴ and the International Accord for Health and Safety in the Textile and Garment Industry¹⁵.

Since 2009, Hanesbrands has been a fully accredited member of the Fair Labor Association's (FLA), an internationally recognised non-governmental organisation (NGO) and a collaborative effort of socially responsible companies, colleges and universities, and civil society organisations.

The FLA uses a multi-stakeholder approach to improving workers' lives and addressing a range of complex issues, including the eradication of forced and slave labour across the supply chain. The FLA provides guidance to members on how to address the risks of modern slavery in their supply chains and provides regular updates on global risks, latest trends and best practices as they relate to modern slavery. As part of our accreditation, we also receive extensive and actionable feedback from the FLA's sustainable compliance methodology (SCI) audit process. Our work with the FLA, and other global NGOs and organisations, has proven valuable in our efforts to ensure that all of our suppliers are compliant with our own GSS and relevant international laws.

A Hanesbrands representative is currently serving a 3-year term on the board of directors of the FLA.

The Hanesbrands group is also a signatory to the AAFA / FLA Apparel & Footwear Industry Commitment to Responsible Recruitment¹⁶. Its principles aim to address forced labour risks for migrant workers and are aligned to the requirements of Hanesbrands' standards.



14. <https://www.aafaglobal.org/>

15. <https://internationalaccord.org/>

16. https://www.aafaglobal.org/AAFA/Solutions_Pages/Commitment_to_Responsible_Recruitment

Responding to COVID-19

The COVID-19 pandemic has continued to have significant health, societal and economic impacts on a global scale.

Similar to others in the apparel industry, Hanes Australasia continues to face challenges related to the pandemic, including keeping our people safe, re-opening facilities, offices and stores, and navigating an uncertain macro-economic environment.

Despite these challenges, we continue to operate with care and consideration for the safety of the people who make our products. This includes efforts to minimise the impact on our suppliers by being flexible and working collaboratively with them to reschedule orders where required and provide opportunities for supplier financing to support much-needed cash flow for our suppliers.

Our goal is to ensure, to the very best of our ability, that workers continue to operate in COVID-19 safe environments. As part of our work during times such as these, we have and will continue to work with multi-stakeholder organisations, such as the Fair Labour Association, to identify and respond to the unique risks the COVID-19 pandemic has created for workers.



Our goal is to ensure, to the very best of our ability, that workers continue to operate in **COVID-19 safe environments.**

Assessing the effectiveness of our actions

We acknowledge the importance of evaluating the effectiveness of our actions in responding to modern slavery risks in our operations and supply chain.

We currently track performance through a variety of activities and measures, as outlined below:

Area	Activity	Measure
Governance	Board and executive leadership oversight	Regular Enterprise Risk Management and Corporate Social Responsibility reviews
	Policy reviews	Ongoing policy reviews
	Internal audit reviews	Audit assessment results and remediation status
	Supplier contracts with human rights conditions	Percentage of supplier contracts with human rights compliance requirements
	Fair Labor Association accreditation	Accreditation status
	External benchmarks	Results in the Corporate Human Rights Benchmark (CHRB) ¹⁷ and Baptist World Aid's Ethical Fashion Report ¹⁸
Risk Management	Risk assessments	Quarterly Enterprise Risk Management review
	Supplier onboarding	Percentage of new suppliers compliant to GSS
Training	Employee training	Percentage of team trained on Global Code of Conduct
	Supplier training	Number of suppliers trained Frequency of supplier conferences held

17. <https://hbisustains.com/corporate-human-rights-benchmark-disclosures/>
 18. <https://baptistworldaid.org.au/resources/ethical-fashion-guide/>
 19. <https://hbisustains.com/our-global-ethics-program-the-numbers-say-our-employees-believe-in-it/>
 20. <https://hbisustains.com/global-standards-for-suppliers-performance-data/>

Area	Activity	Measure
Monitoring	Employee engagement survey	Various objective measures of employee engagement
	GEC employee survey ¹⁹	Navex benchmark results
	Fair Labor Association factory-level assessments (SCI & SCIV)	SCI & SCIV assessment results
	GSS audits	Number of audits completed & to plan
	Facility GSS audit scores ²⁰	Compliance scores
	GSS Alarm Report	Number suppliers on Alarm Report
Grievance mechanisms	GEC resource line	Total number (and nature) of issues raised
	GEC cases	Number of cases remediated
	Supplier grievance mechanism channels	% with grievance mechanisms

External recognition

We have been recognised by Baptist World Aid for our commitment to ethical sourcing. In 2021, we received another overall "A" grade in their Ethical Fashion Report and ranked in the top 20% of companies reviewed. In 2020, we were also recognised in the top tier of their COVID Fashion Report.

In 2021, Hanesbrands group was included in Barron's list of the 100 Most Sustainable Companies in America and in 2022 was named one of the World's Most Ethical Companies by Ethisphere for a second year in a row.

Figure 11: Performance Measures

Continuous improvement and future focus areas

We are committed to the ongoing identification and mitigation of modern slavery risks in our operations and supply chain. Key focus areas for 2022 are outlined below:

Goods not for resale and services

As part of our mapping and due diligence of modern slavery risks associated with the procurement of other goods and services, we will finalise and implement our plan for further risk mitigation and monitoring.

Resumption of unannounced physical responsible sourcing audits

With COVID-19 restrictions starting to ease across many regions, we will continue to revert our responsible sourcing audits back to unannounced physical audits, with the aim of virtual remediation audits only conducted in exceptional circumstances.

Supplier relationships

We will continue to work with suppliers to drive continuous improvement of their compliance with our Global Standards for Suppliers. We will also continue to partner with them on transparency initiatives to drive greater visibility into indirect suppliers operating at lower levels of the supply chain (i.e. Tiers 3 and beyond).

Sustainable fibre goals and traceability

As part of our sustainability strategy, we have set a goal to use 100% sustainable cotton and 100% recycled / biodegradable polyester across all products by 2025.

During 2022, we will continue our transition towards more sustainable alternatives that provide third-party certifications and valid traceability. For example, more sustainable cotton includes Australian and U.S. grown, organic, recycled or sourced from reputable sustainable cotton programs.

We will also continue to survey our global supply chain regarding origin of cotton used in our products to ensure no cotton is sourced by suppliers from prohibited regions.

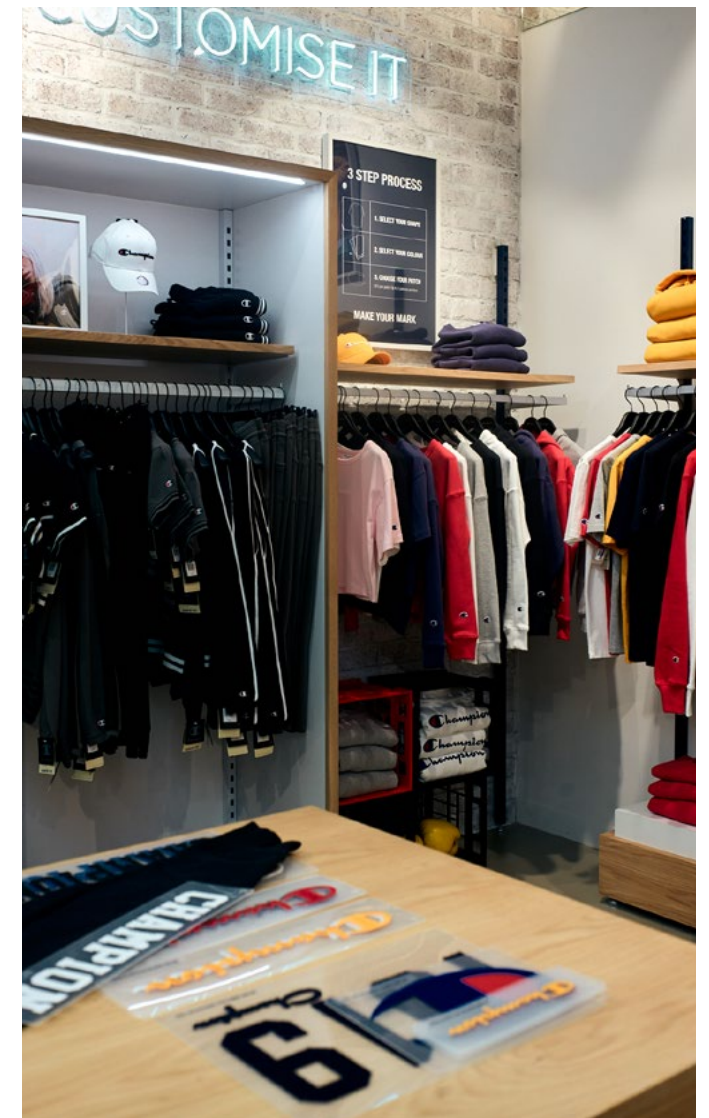
Transparency

We recognise the importance of providing transparency into our operations, systems, processes and products. During 2021, we refreshed our global sustainability website²¹ and it continues to outline a broad range of subjects including: our sustainability goals and measures; data supporting our factory compliance program; and corporate social responsibility reporting. We remain committed to providing increasing levels of transparency to our stakeholders, including continuous improvement of our modern slavery reporting.

21. <https://hbisustains.com/>

Consultation with owned and controlled entities

This statement is issued jointly on behalf of all reporting entities of Hanes Australasia. The contents of this statement is approved by the Board of HBI Holdings Australasia Pty Ltd, which is in a position to influence or control each of its subsidiaries and the reporting entities within the Hanes Australasia Group covered by this statement. Hanes Australasia through its common directorship and management has engaged and consulted with all companies it owns and controls in the development of this statement (Hanes Australasia Subsidiaries are set out below in the Appendix).



Appendix

Reporting Criteria

This Modern Slavery Statement was prepared in accordance with the criteria set out in the *Modern Slavery Act 2018 (Cth)*. The table below outlines where information related to each mandatory reporting criteria can be found:

Modern slavery statement mandatory criteria	Location of information
Criterion 1 Identify the reporting entity	About this statement
Criterion 2 Describe the reporting entity's structure, operation and supply chains	Our business structure, operations and supply chain
Criterion 3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Identifying risks of modern slavery practices Responding to COVID-19
Criterion 4 Describe the actions taken by the reporting entity and any entity it owns or controls, to assess and address those risks, including due diligence and remediation processes	Mitigating and remediating risks of modern slavery Responding to COVID-19
Criterion 5 Describe how the reporting entity assesses the effectiveness of these actions	Assessing the effectiveness of our actions
Criterion 6 Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Consultation with owned and controlled entities
Criterion 7 Provide any other relevant information	Introduction and CEO message Continuous improvement and future focus areas

Hanes Australasia Subsidiaries

Company Name

HBI Holdings Australasia Pty Ltd
Hanes Australasia Pty Ltd
Hanes Holdings Australasia Pty Ltd
Hanes Australia Pty Ltd
Hanes Innerwear Australia Pty Ltd
Sheridan Australia Pty Ltd
Hanes Technology Services Australia Pty Ltd
Hanes IP Bonds Australia Pty Ltd
PT Hanes Supply Chain Indonesia
Hanes New Zealand Ltd
Sheridan N.Z Ltd
BNT Holdco Pty Ltd
Bras N Things Pty Ltd
Bras N Things New Zealand Ltd
Bras N Things South Africa Pty Ltd
Hanes Holdings Hong Kong Ltd
Hanes (Shanghai) Business Service Co., Ltd
Hanes (Shanghai) Business Service Co., Ltd – Dongguan Branch
Hanes Holdings Asia Ltd
Hanes Trading (Shanghai) Co., Ltd
Hanes Singapore Pte. Ltd
Hanes Holdings UK Ltd
Sheridan U.K. Ltd

HANES *Brands*
A U S T R A L A S I A

Registered office
Hanes Australasia
Level 1, 115 Cotham Road
Kew, VIC Australia 3101