



**PERRY ELLIS
INTERNATIONAL**

**MODERN SLAVERY JOINT
DISCLOSURE STATEMENT
UK & AUSTRALIA - FY24**

**PERRY ELLIS
INTERNATIONAL**

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INTRODUCTION

This statement is issued in accordance with the Modern Slavery Act 2015 (section 54), and Commonwealth Modern Slavery Act 2018. It outlines the steps we have undertaken as a company in Fiscal Year 2024. Since publishing our first modern slavery statement in 2016, Perry Ellis International, Inc. (PEI) remains committed to tackling this growing global issue. We recognise the threat of modern slavery and our responsibility to continuously review and enhance our policies and practices. This ongoing commitment ensures we have the most effective measures in place to prevent, mitigate, and remediate any negative human rights impacts within our business. We consulted the companies we own or control in the development of this statement. This statement was approved by all directors of PEI on September 23, 2024.

Jorge Narino

Jorge Narino (Sept 23, 2024 11:23 am EDT)

Jorge Narino, Chief Financial Officer, Perry Ellis International, Inc. (PEI)



WHAT IS MODERN SLAVERY?

Modern slavery, often hidden in plain sight, casts a wide net, encompassing numerous forms and aliases. At its core, it's about exploitation - situations where individuals are trapped due to threats, violence, coercion, or deception, unable to refuse or escape. Modern slavery includes but is not limited:

Forced Labour: In accordance with the International Labour Organization (ILO) Forced Labour Convention 29 and Protocol, is: "All work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily"¹

Human Trafficking is the recruitment, transportation, transfer, harbouring or receipt of people through force, fraud or deception, with the aim of exploiting them for profit. Men, women and children of all ages and from all backgrounds can become victims of this crime, which occurs in every region of the world. The traffickers often use violence or fraudulent employment agencies and fake promises of education and job opportunities to trick and coerce their victims.

Debt Bondage: A form of forced labour where someone is trapped working to pay off a debt. The terms are unfair, meaning the work does not significantly decrease the debt, and the duration or type of service is unclear or indefinite.

FACTS

50 MILLION PEOPLE LIVING IN MODERN SLAVERY²

OF THESE, **28 MILLION** WERE IN FORCED LABOUR

2022 estimates that approximately **ONE-FIFTH** of all people in forced labour exploitation in the private economy are in situations of debt bondage³



¹ <https://www.ilo.org/topics/forced-labour-modern-slavery-and-trafficking-persons/what-forced-labour>

² <https://www.ilo.org/resource/news/50-million-people-worldwide-modern-slavery-0>

³ https://cdn.walkfree.org/content/uploads/2022/09/12142341/GEMS-2022_Report_EN_V8.pdf

WHO WE ARE

Perry Ellis International, Inc. (PEI), a privately-held company and its wholly-owned subsidiaries, Perry Ellis Europe Limited (PEEL) and Perry Ellis International Europe Limited (PEIEL), is a leading designer, distributor and licensor of a broad line of high quality men's and women's apparel, accessories and fragrances. The Company's collection of dress and casual shirts, golf sportswear, sweaters, dress pants, casual pants and shorts, jeans wear, active wear, dresses and men's and women's swimwear is available through all major levels of retail distribution. The Company, through its wholly owned subsidiaries, owns a portfolio of nationally and internationally recognised brands.



The Company enhances its roster of brands by licensing trademarks from thirds parties, including: Nike® for swimwear, and Callaway®, PGA Tour® and Jack Nicklaus® for golf apparel.



Our products are manufactured by independent contracted suppliers and those products are sold and distributed through regional, national and international department stores, national and regional chain stores, mass merchants, green grass and other specialty stores, and corporate wear distributors throughout the world. We also engage in direct-to-consumer business via company-owned retail stores and e-commerce websites. Additionally, we licence our proprietary brands to third parties for the manufacturing and marketing of various products in categories or territories in which we have no direct business operations.

50+ YEARS
IN BUSINESS



PEI Revenue for FY24

Global - \$909.7M
UK - \$88M
AUSTRALIA - AU\$ 1,757,044.61



GLOBAL ASSOCIATES: 2094
UK ASSOCIATES: 189



TOTAL PEI GLOBAL OFFICES: 18 US & INTERNATIONAL
TOTAL RETAIL STORES: 244 Globally

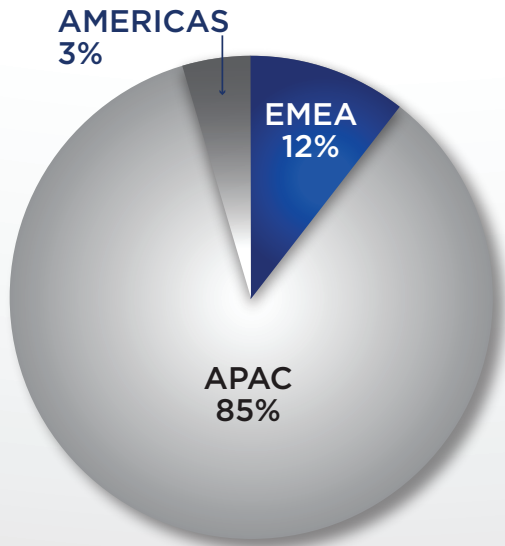
AUSTRALIA

PEI has direct licence and distribution agreements with companies registered and established in Australia. Our business is limited to licenced royalties as well as sales generated via Wholesale and Ecommerce. PEI does not operate or employ any associates in Australia. We do not manufacture, own or control any entities in Australia. Products sold in Australia were produced by approved contracted suppliers.



OUR GLOBAL PRODUCT SUPPLY CHAIN:

We are committed to fostering a responsible and ethical supply chain. This means prioritising fair labour practices, social responsibility, and sustainability throughout our operations. We partner with suppliers who share our commitment to these values. Our products are manufactured by a global network of independent contracted suppliers in 31 countries. We have cultivated strong, long-term relationships with many of our key suppliers (some for over 15 years) representing 60% of our total production volume. These partnerships and collaborative approaches allow us to ensure consistent adherence to our standards.



Tier 1 & 2

263 Suppliers in 26 countries

Production Workers

21,600

Female: 69%

Male: 31%

Licensee Suppliers

200 in 14 countries

Chart reflects Tier 1 and 2 suppliers as well as Licensee manufacturers

Tier 1 - Main factory where products are manufactured.

Tier 2 - Suppliers providing Support to Tier 1 Suppliers (includes: Laundry, Embroidery, Printing, Electroplating).

We're expanding our supply chain mapping initiatives to achieve deeper visibility beyond Tier 2 suppliers.



OUR DUE DILIGENCE

Onboarding suppliers is a key step in our process to ensure all potential brand partners align with PEI standards. We take an integrated approach to screen suppliers prior to production placement. A fundamental aspect of our onboarding process is to require all Tier 1 suppliers to certify in writing through our Master Supply Agreement and Vendor Code of Conduct (VCOC), their compliance with PEI standards including all applicable laws within the country of business, including those related to human trafficking, forced and child labour. Direct suppliers are evaluated on their compliance with our VCOC through announced or unannounced audits with our internal auditors and/or third party providers. In lieu of conducting internal/third party audits, facilities may submit industry audits based on recognised industry standards. All reports are reviewed by our Compliance team and when applicable, we work closely with our suppliers to ensure proper remediation is implemented.

All purchase orders are reviewed prior to production placement to ensure only registered and approved suppliers are utilised. To further transparency, Tier 2 as well as metal trim suppliers must be disclosed during the onboarding process. Tier 2 suppliers must provide a current industry audit report to establish their level of Compliance against our Code. If one is not available, Tier 2 suppliers must complete PEI's Self Assessment Questionnaire and provide supportive documentation to ensure compliance with PEI's VCOC.

Ongoing onsite monitoring and desktop evaluations are mechanisms we employ to detect and mitigate risks within our supply chain. At a minimum, direct suppliers are audited on an annual basis. When applicable, measures are taken to ensure the implementation of proper remediation, including desktop reviews or onsite follow-up visits. By fostering ongoing improvement and maintaining strong partnerships with our suppliers, we aim to prioritise the well-being of workers and facilitate the development of safe, compliant, and respectful workplaces. Our continuous engagement with suppliers to monitor progress in addressing risks related to forced labour, involuntary labour, and child labour is crucial for the effectiveness of our program.

RESPONSIBLE SOURCING OF MINERALS

Responsible mineral sourcing prioritises ethical practices throughout the supply chain, ensuring respect for human rights, protecting the environment, and combating forced labour, child labour, and human trafficking. To ensure the responsible sourcing of materials, we partner with a third party provider to conduct a comprehensive Reasonable Country of Origin Inquiry (RCOI) for each in-scope metal trim supplier to determine the origin of the materials in accordance with the Responsible Sourcing of Minerals Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). This process is executed utilising the Organisation for Economic Co-operation and Development OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). Information is gathered regarding the presence and sourcing of tantalum, tin, tungsten and gold (3TG) used in products and components supplied to PEI. Suppliers are required to provide information regarding the sourcing of their materials with the ultimate goal of identifying the 3TG smelters or refiners (“SORs”) and associated mine countries of origin.

Suppliers that meet our standards are registered in our Product Lifecycle Management (PLM) system for the reporting year and must undergo our due diligence process on an annual basis. Robust controls within our PLM enforce the use of approved metal trim suppliers in purchase orders. In addition, all new suppliers must undergo our pre-approval process before they can be used in our products.



ASSESSING AND MANAGING RISK

We believe in conducting business responsibly and ensuring the well-being of workers at every level. We recognise the intricate nature of global supply chains, especially with our dual role as a brand owner and licensor. Therefore, robust risk management is vital. We conduct regular risk assessments, focusing on factors such as location, materials, and industry trends, to identify potential vulnerabilities for forced and child labour. In fiscal year 2024, our assessments focused on these key areas. Based on this targeted approach, we identified and addressed the following potential risks:

FOREIGN MIGRANT WORKERS:

According to the ILO, there are approximately 169 million migrant workers globally and are three times more at risk for forced labour. Migrant workers can be especially vulnerable to forced labour related to factors such as passport/document retention, withheld wages, recruitment fees, threat of penalty and excessive working hours. We mitigate these risks through:

Strict Migrant Worker Policy: All direct suppliers must uphold our policy, ensuring fair treatment of migrant workers.

Vendor Code of Conduct: Requires vendors to comply with legal standards as well as ensure:

- All workers are informed in writing of the basic terms of their employment in their local language before leaving their country of origin.
- Workers are not required to pay any fees in order to secure or maintain employment.
- Workers receive a timely refund of fees and costs paid to obtain or maintain their employment.
- Workers are provided with full freedom of movement.
- Workers retain control of their travel documents.

Commitment and collaboration: PEI is a signatory in the AAFA/FLA's (Fair Labor Association) Commitment to Responsible Recruitment, a proactive industry effort to address potential forced labour risks for migrant workers in the global supply chain. As an industry and as individual companies, we are committed to the fair treatment of workers in the apparel, footwear, and travel goods supply chains. One key part of this ongoing effort is working collaboratively to eliminate conditions that can lead to forced labour in the countries from which we source products. In March 2023, we signed the expanded commitment that builds on learnings over the past five years.

With the relaunch, signatories further commit to create conditions where workers receive a timely refund of any fees and costs paid to obtain or maintain their job, if such conditions were already imposed.

Refer to the link below for further information.

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

Audits: Audits conducted in FY24 identified no instances of forced labour or worker exploitation related to foreign migrant workers.

COTTON SOURCING:

Due to documented forced and child labour issues in certain regions, PEI takes a proactive approach to responsible cotton sourcing through:

Restricted Sourcing: We prohibit the use of cotton in any of our products from countries or regions with documented forced and/or child labour. This includes, but is not limited to Uzbekistan, Turkmenistan and Xinjiang Uyghur Autonomous Region (XUAR).

Traceability: Our Vendor Code of Conduct, Master Supply Agreement and Cotton Sourcing Policy require full traceability throughout the cotton supply chain; this includes maintaining and providing chain of custody documentation for all stages of mining, production, or manufacture of imported merchandise and components thereof.

Due Diligence: No instances of sourcing from prohibited regions were identified.

LICENSING BUSINESS:

Our use of the licenced brand model offers several advantages, but it also can present some challenges when it comes to supply chain visibility and enforcing our standards. Since we don't have a direct relationship with partnering factories, ensuring consistent adherence to our ethical sourcing practices can be more complex. We address this through:

Contractual Obligation: Licensees must disclose factory information and undergo our thorough onboarding, auditing and review processes. Licensee suppliers are contractually obligated to comply with our Vendor Code of Conduct standards.

Third-Party Audits: Licensees must provide current audit reports from approved firms for every supplier manufacturing



our brands. Reports are reviewed by our Compliance team for pre-approval. Suppliers who do not meet our standards are rejected.

Corrective Action Plans: Factories needing improvements must provide a detailed CAP along with supportive documentation to ensure remediation. CAPs are reviewed and/or desktop assessments are conducted by our Compliance team.

Ongoing Audits: All factories must undergo onsite audits on an annual basis at a minimum. Licensee supplier audits conducted in FY24 revealed no forced or child labour findings.

UNAUTHORISED SUBCONTRACTING:

Unauthorised subcontracting can introduce hidden risks to our supply chain, particularly regarding working conditions, fair labour practices, and overall visibility. To address this challenge, we manage this by:

Onboarding and Monitoring: All direct suppliers must undergo our comprehensive onboarding process, which helps to minimise the likelihood of unauthorised subcontracting. This process includes a thorough review of their practices.

Enhanced Collaboration: We foster close collaboration between our Compliance team, Sourcing dept. Quality Assurance team, and regional Merchandising teams. This collaborative effort allows us to:

- Identify potential instances of unauthorised subcontracting through information sharing and communication.
- Maintain ongoing supply chain updates for field teams, ensuring they are aware of any supplier status changes.

Consequence Management: If unauthorised subcontracting is identified, we conduct an internal investigation, move orders to an approved supplier, and issue a financial chargeback. Termination of the business partnership may also occur. Onsite audits and monitoring visits conducted in 2023 identified no instances of unauthorised subcontracting.

We remain vigilant in upholding human rights and will continue to actively manage our supply chain to mitigate risks.

SUPPLY CHAIN AUDIT SUMMARY

Tier 1 audits conducted - 251

60% conducted in APAC
89% conducted by APSCA auditors
93% were industry accepted audits

Tier 2 audits & SAQ's conducted - 51

59% were industry accepted audits
83% conducted by APSCA auditors

181 Licensee audits conducted

78% in the APAC and Americas

APSCA Certification

The Association of Professional Social Compliance Auditors mission is to enhance the professionalism, consistency and credibility of individual auditors and organisations performing independent social compliance audits

SUPPLIER AUDITS CONDUCTED IN FY24 DID NOT REVEAL ANY OF THE FOLLOWING FINDINGS:

- Forced labour, child labour or human trafficking
- Indebted labour resulting in worker recruitment or placement
- Deceitful employment practices at the time of recruitment
- Threat or coercion during the employment term
- Retention of passports or documents.

<https://www.theapsca.org/wp-content/uploads/2020/07/APSCA-Competency-Framework-D-011-ENG.pdf>



POLICIES & GOVERNANCE

At PEI, preventing forced and child labour is a core principle. We achieve this through robust policies and clear communication. We actively set expectations with our vendors by outlining our zero-tolerance stance on forced labour and child labour in our Vendor Code of Conduct. Additionally, we require strict compliance with all applicable laws and regulations by our suppliers. We continuously review and update our policies and practices, leveraging our experiences and industry best practices.

- **Forced Labour Policy**
- **Child Labour & Young Worker Policy**
- **Migrant Worker Policy**
- **Cotton Sourcing Policy**

PEI's Vendor Code of Conduct (VCOC) outlines the minimum requirements of ethical and responsible business practices all our vendors, subcontractors, and licensees must adhere to as a condition of working with us. As a binding document, the VCOC is integrated into our Master Supply Agreement, ensuring our partners are aligned with our expectations.

<https://www.pery.com/Company/SocialCompliance>

PEI's Code of Business Ethics and Conduct serves as the foundation for our continued success. It promotes ethical behaviour across all levels of the company, safeguarding our reputation and fostering a culture of responsible citizenship. This code outlines the highest standards of conduct for our directors, officers, and employees, ensuring we operate with integrity and transparency while upholding the values that have driven our success for years. All associates must sign the Code on an annual basis.

<https://www.pery.com/Company/EthicsAndConduct>



Whistleblowing

PEI provides a confidential third party reporting hotline for employees to anonymously report any of the following incidents:

- **Fraud**

Reports related to embezzlement, fraudulent reporting or accounting issues, auditing violations, internal control matters and any security violations.

- **Compliance & Ethics**

Reports related to compliance and regulations violations, code of ethics violations, conflicts of interest, and waste and abuse of company equipment and resources.

- **Human Resources**

Reports related to employee relations, abuse of benefits, discrimination, harassment and work environment.





TRAINING

We prioritise training and education for our associates, particularly those in supply chain-facing roles.

Modern Slavery Training: All PEI global associates in supply chain roles participated in mandatory, interactive training on modern slavery and human trafficking. This third party program provided a thorough understanding of:

- The inherent risks of modern slavery and human trafficking within supply chains.
- How to identify potential red flags.
- The proper procedures for responding to suspected cases.

Deepening Our Knowledge: Compliance associates further enhanced their expertise by attending workshops and webinars focused specifically on forced labour.

Reinforcing Ethical Practices: Additionally, PEI associates completed third party compulsory training on Ethics and Code of Conduct, Harassment as well as Diversity, Equity & Inclusion (DEI). This comprehensive approach ensures that everyone at PEI understands their role in upholding our commitment to ethical conduct.

KEY ACTIONS TAKEN IN FY24

Supplier Training

We recognise that engagement with our supply chain partners should not be limited to audits. Equipping suppliers with knowledge and the tools to enable them to improve and succeed must be a priority. Training provides an avenue for suppliers to heighten awareness of prominent risks associated with forced labour, child labour and human trafficking, identify gaps, ask questions, engage with other suppliers and learn best practices.

In-person and virtual supplier training sessions were conducted in Bangladesh and China. The training included the following topics:

- PEI Compliance Standards & Vendor Code of Conduct
- Conflict Minerals Compliance
- Corrective Action Plans and Proper Remediation
- Supply Chain Transparency
- Forced Labour and Child Labour
- Regulatory Requirements
- Best Practices

Cascale Membership

• To further our commitment toward increased transparency, knowledge sharing, and driving positive change, we became Candidate Members of Cascale. Cascale is a global non-profit alliance of 300 leading consumer goods brands, retailers, manufacturers, sourcing agents, service providers, trade associations, NGOs, and academic institutions. The mission is to work toward a shared vision of an industry that gives back more than it takes — to the planet and its people.

PEI Vendor Code of Conduct

• Building on our ongoing commitment to responsible sourcing, we introduced a revised Vendor Code of Conduct (VCOC) in July 2023. The updated code reinforces our expectations surrounding ethical practices.

PEI Master Supply Agreement

• In July 2023, we proactively strengthened our Master Supply Agreement (MSA) to ensure it aligns more closely with our evolving policies as well as legislative requirements.





MEMBERSHIPS

Sedex

 **Cascale**

NRF National
Retail
Federation

AMERICAN
**APPAREL &
FOOTWEAR**
ASSOCIATION

 **Textiles
2030**

ukft

LOOKING AHEAD

In 2024, we're committed to taking significant strides in supply chain responsibility. Here's a look at our key initiatives:

- **Expand our Reach:** Extend our CSR training program to include Tier 2 suppliers, ensuring a more comprehensive approach to ethical sourcing throughout our supply chain.
- **Strengthening Internal Policies:** Review and update of our internal policies, focusing on responsible exit procedures, grievance mechanisms, and freedom of association for workers.
- **Enhance Auditing Standards:** Our Audit Standards Manual will be updated to reflect evolving best practices and ensure thorough assessments of our suppliers' practices.
- **Migrant Worker Data Collection:** To enhance transparency and address potential risks, we will implement a system to capture in-country migrant worker data within our supply chain.
- **Streamline Vendor Portal:** Revamp our Vendor Portal to streamline the onboarding process and provide easier access to valuable CSR resources for our vendors.

