



Modern Slavery Statement

Step One Clothing Limited

Adopted by the Board on 16 September 2025

Modern Slavery Statement

1 Reporting Entities

This statement is made pursuant to the Modern Slavery Act 2018 (Cth) and sets out the actions the reporting entities of the Step One group (collectively “Step One Joint Reporting Entities”) have taken in FY25 and continue to take to address modern slavery and human trafficking risks in our business and supply chains. The Step One Group has voluntarily chosen early adoption.

2 Structure, Operations and Supply Chains

Step One Clothing Limited is an Australian publicly listed company and controls the following entities, which are jointly submitting this Modern Slavery Statement:

- Step One Clothing Limited – ABN 34 616 696 318
- Step One Clothing Australia Pty Ltd – ABN 51 640 837 181
- Step One Clothing Production Pty Ltd – ABN 85 648 571 662
- Step One Clothing UK Limited (incorporated in the United Kingdom Coy No. 125 71359)
- Step One Clothing USA Inc. (incorporated in the United States of America File No 5879649)

Operations

Step One is a leading online direct-to-consumer innerwear brand. Step One offers a range of high quality, organically grown and certified, sustainable, and ethically manufactured innerwear that suits a broad range of body types.

Step One currently operates in Australia, the United Kingdom, and the United States with products sourced from production and manufacturing facilities in China.

Step One's Head Office is located in Australia and it engages services from individuals and companies both in Australia and internationally.

Supply Chain

The Group's supply chains include the procurement of:

- manufactured products;
- warehousing & logistic services;
- marketing & advertisement services;
- goods needed for the Group's everyday corporate operations, including office supplies; and
- services needed for the Group's everyday operations, including professional services

such as legal and tax, and non-professional services such as IT, telecommunications, and cleaning.

3 Risks of Modern Slavery Practices in Supply Chains of Step One Jointly Reporting Entities and Any Entities Under Their Control

The Step One Group continues to review its operations and supply chains, and those of the entities under its control, to assess the risk of modern slavery practices in those supply chains.

The consultation process involves representatives from Legal, Finance, and Operations in Australia and internationally.

In reviewing supply chains, material, active suppliers were considered against the risk factors set out below:

- Sector and industry risks;
- Product and services risks;
- Geographic risks, including the countries in which our suppliers operate; and
- Entity risks.

4 Actions Taken to Assess and Address the Above Risks, Including Due Diligence and Remediation Processes

Assessing the Risk

Step One continues to assess the risk of modern slavery practices in our operations and supply chains as set out in section 3 above.

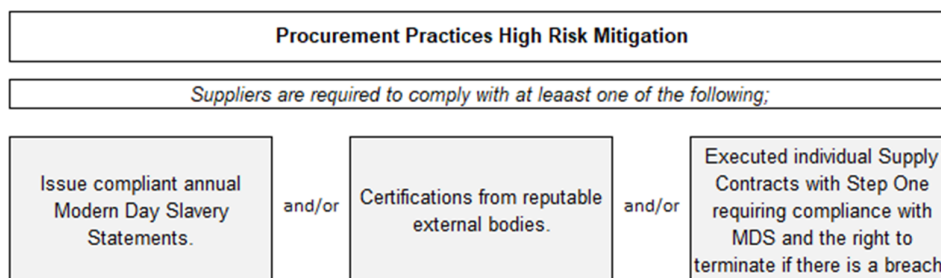
Addressing the Risk

To address the risk of modern slavery in our supply chains, we have segmented our supply chain into higher, moderate and lower risk categories of Modern Day Slavery (MDS) as depicted below. The risk assessment partially aligns with the manufacturing and distribution stages. Policies and procedures are in place to address the inherent risks of each activity in the supply chain and are then implemented.

Risk Assessment	Higher risk of MDS		Moderate risk of MDS		Lower risk of MDS																																					
Supply Chain and relationships	<table><tr><th>Indirect</th><th>Direct</th></tr><tr><td>Cultivation</td><td>Packaging Supplier</td></tr><tr><td>Pulping</td><td>Cutting & Sewing</td></tr><tr><td>Viscose Production</td><td>Export finished product</td></tr><tr><td>Yarning & Weaving</td><td></td></tr><tr><td>Dyeing & Finishing</td><td></td></tr></table>		Indirect	Direct	Cultivation	Packaging Supplier	Pulping	Cutting & Sewing	Viscose Production	Export finished product	Yarning & Weaving		Dyeing & Finishing		<table><tr><th>Indirect</th><th>Direct</th></tr><tr><td>Shipping</td><td>Export Logistics</td></tr><tr><td></td><td>Warehousing</td></tr><tr><td></td><td>Marketing & Selling</td></tr><tr><td></td><td>Picking & Packing</td></tr><tr><td>Distribution</td><td>Customer</td></tr></table>		Indirect	Direct	Shipping	Export Logistics		Warehousing		Marketing & Selling		Picking & Packing	Distribution	Customer	<table><tr><th>Indirect</th><th>Direct</th></tr><tr><td></td><td>Employees</td></tr><tr><td>Indirect services</td><td>Direct services</td></tr><tr><td></td><td>Ambassadors</td></tr><tr><td></td><td>Advisors</td></tr><tr><td>Other providers</td><td>Admin</td></tr></table>		Indirect	Direct		Employees	Indirect services	Direct services		Ambassadors		Advisors	Other providers	Admin
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Approach to MDS monitoring	Entire supply chain is certified. Contractual termination for breach of MDS obligations throughout the supply chain imposed on the final manufacturers.		Review published MDS statements (where available). Annual confirmation of MDS compliance from material direct relationships.		Publish policies, provide training. Contractual obligations.																																					

MDS Higher-Risk Supply Chain Elements

Step One has always been conscious of its impact on the environment and human rights, and these considerations were critical to supplier selection. To mitigate the ongoing risk of MDS, higher-risk supply chain elements, Step One has implemented a combination of the following procurement practices for all material higher risk suppliers.



External Certifications

Step One's suppliers hold a range of certifications from reputable external bodies such as the Forest Stewardship Council® (FSC®), which incorporate the protection of human rights and good governance. These certifications strengthen the good governance practices of Step One's supply chain and have enabled Step One to achieve FSC® Chain of Custody certification (FSC® C183245) in its own right.



Supply Contracts

Step One has supply contracts in place for all material manufacturing suppliers. The contracts incorporate the following contractual clauses which require suppliers to ensure:

- compliance with the intent of the Modern Slavery Act 2018 (Cth);
- compliance with all local, national and other applicable laws and regulations in the jurisdictions in which they operate;
- conducting business in a manner that respects and supports human rights consistent with the Universal Declaration of Human Rights, and complying with applicable human rights obligations;
- prohibition of child and forced labour;
- provision of minimum wages, benefits and working conditions in accordance with the respective of operation jurisdictions;
- respect for freedom of association;
- adherence to ethical business practices; and
- commitment to anti-discrimination & harassment policies.

Most importantly, Step One has the right to terminate a contract where the supplier has breached any of the above obligations.

The Forest Stewardship Council®

The Forest Stewardship Council® (FSC®) is a non-profit organisation that provides the world's most credible sustainable forestry solution, covering more than 150 million hectares of certified forest. The FSC® system is trusted by NGOs, consumers, and businesses to help promote healthy and resilient forests.

Equally governed by environmental, social, and economic perspectives, FSC® helps forest managers, smallholders, and governments ensure thriving forest ecosystems and safeguard the livelihoods of forest communities. FSC®'s forestry standards, linked to a strict chain of custody certification, are a proven solution to fight the climate and biodiversity crises. The FSC® logo is the most recognised mark for responsible forestry.

In October 2022, Step One achieved FSC® Chain of Custody Certification, marking its entry into the FSC® forest community. This achievement made Step One the first organisation in Australia to introduce FSC®-certified labelled underwear for purchase.

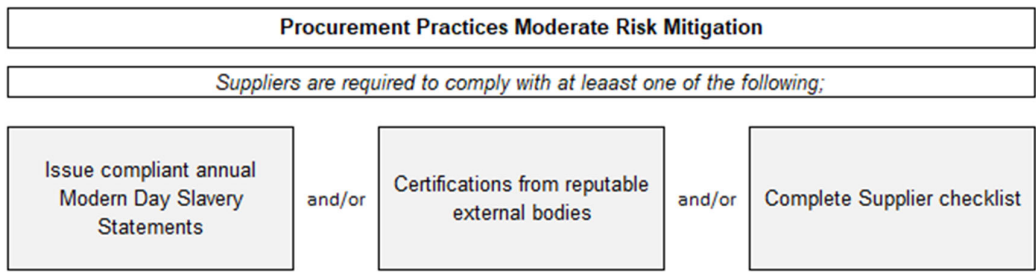
This certification verifies that in Step One’s FSC®-labelled underwear only FSC®-certified forest-based materials are used in Step One’s underwear and have been credibly transformed along the product’s path from the forest to finished goods. As FSC® Chain of Custody certificate holders, Step One also demonstrates compliance with FSC®’s Core Labour Requirements, including the following:

- no child or forced labour;
- no discrimination in employment and occupation; and
- freedom of association and the right to collective bargaining.

Building upon this commitment, Step One was further distinguished in August 2023 by becoming the first Australian signatory of the FSC® Fashion Forever Green Pact. This public pledge supports FSC® certification for fabrics and yarns, reinforcing Step One’s dedication to responsible and sustainable fashion practices.

MDS Moderate Risk Supply Chain Elements

Where Step One has identified that there is a moderate MDS risk in engaging with a supplier, the following actions will be taken in relation to all material suppliers:



Supplier Checklist

A Supplier Checklist is issued to material suppliers in the moderate risk category who do not hold a Step One executed supply contract or have not published their own Modern Day Slavery Statement in FY25. Step One has chosen to utilise FSC®’s *Core Labour Requirements Self-Assessment* for their supplier checklist as it largely mirrors the requirements of Modern Slavery Act 2018.

MDS incorporated in the Code of Conduct

Whilst there are different levels of MDS risk throughout Step One’s Supply Chain, MDS is included in Step One’s Code of Conduct. This is an overarching safeguard where responsibility is upon all employees/subcontractors to uphold and manage the prevention of MDS in Step One’s operations and supply chain. The Code of Conduct requires staff to practice ethical business standards and take steps such as conducting due diligence checks with respect to prospective material suppliers.

Should Step One become aware that any of its suppliers are engaging in Modern Day Slavery, it will cease any business arrangements with the supplier as soon as legally able to do so.

5 How Step One Assesses the Effectiveness of Such Actions

Ethical manufacturing was built into the Step One supply chain from the outset, rather than being applied retrospectively. Step One has not had any cause to suspect any supplier has been in breach of MDS standards. Nonetheless, there is always more to be done to improve standards, and as such, this Modern Slavery Statement is only the beginning. Step One approaches modern slavery compliance with a mindset of continuous improvement.

Step One intends to review its policies, training, and risk assessment procedures annually to determine their effectiveness.

6 The Process of Consultation with any Entities that the Reporting Entity Owns or Controls

This joint Modern Slavery Statement has been prepared in consultation with each of the Step One Jointly Reporting Entities covered by the Statement.

This Statement was prepared with the assistance of Step One's Legal, Finance, and Operations representatives, both in Australia and internationally.

Approval by Board of Directors

This Modern Slavery Statement has been approved by the Board of Directors of Step One Clothing Limited

Signed



Greg Taylor

Founder and Chief Executive Officer

Dated: 16 September 2025