



MODERN SLAVERY STATEMENT

LORNA JANE

LORNA JANE PTY LTD ABN 91 065 384 616

UNDER THE MODERN SLAVERY ACT 2018 (CTH)

Reporting Period: 1 July 2020 to 30 June 2021

EXECUTIVE SUMMARY

This Modern Slavery Statement has been approved by the board of Lorna Jane Pty Ltd ABN 91 065 384 616 in their capacity as the principal governing body of Lorna Jane Pty Ltd on 23 December 2021

Pursuant to the requirements of the Act, authorised persons have reviewed the contents of this Statement and confirmed its accuracy.

This statement is signed by Bill Clarkson in his role as Director on 23 December 2021.

This statement has been approved by the Board of Directors of Lorna Jane Pty Ltd.



23/12/2021

Signature

Date

Bill Clarkson

Name
Director

THIS REPORT OUTLINES

Part One:
Mandatory Reporting Requirements - Preliminary Information

Part Two:
Risks of Modern Slavery in Supply Chains and Operations

Part Three:
Addressing Modern Slavery Risks

Part Four:
Measuring the Effectiveness of Our Response to Modern Slavery Risks

Part Five:
Consultation with controlled entities & other relevant information

Appendix:
Initial Risk Assessment Methodology Summary



PART ONE:

MANDATORY REPORTING REQUIREMENTS PRELIMINARY INFORMATION

1. This Modern Slavery Statement is made pursuant to the requirements of the Modern Slavery Act 2018 (Cth) for the year ending 30 June 2021.
2. Lorna Jane is a leading activewear retailer with a global brand presence. Our brand mission is to empower our customers to live a life that they love through Active Living and the daily practice of Move, Nourish, Believe.
3. A core part of our company ethos is a belief that sustainability is the future, not a luxury. We are committed to ensuring that our communities and the environment in which we live is just as healthy as the women that wear our Activewear.
4. Our modern slavery risk profile has not materially changed between the first and second reporting periods. Significant progress has been made, particularly in addressing identified modern slavery risks in key areas, as set out throughout this Statement.
5. We remain acutely aware that there is much more to be done in effectively addressing issues relating to modern slavery in the global fashion and apparel industry. We see our social accountability and ethical sourcing ethos as completely complimentary to using our resources and influence to create a responsible activewear brand that is not causing, contributing, or directly linked to modern slavery practices.

Our Structure

6. The mandatory report entity is Lorna Jane Pty Ltd - ABN 91 065 384 616.
7. For the purpose of the Act, Lorna Jane owns or controls the following subsidiaries that are not, individually, mandatory reporting entities:
 - LJ GP No 1 Pty Limited.
 - LJ GP No 2 Pty Limited.
 - Lorna Jane Gold Coast Pty Limited.
 - Lorna Jane Rewards Pty Limited.
 - Move Nourish Believe Pte Limited.
 - LJ USA General Partnership
 - LJ USA Holdings Inc
 - Lorna Jane USA, Inc
 - Move Nourish Believe Pte Ltd (showroom, online, wholesale management of subsidiaries.
 - Lorna Jane B.V
 - Run Girl Run (Shenzhen) Co. Limited
 - Lorna Jane Hong Kong Ltd
 - Move Nourish Believe No. 2 Pte Limited
 - Lorna Jane Logistics
 - Lorna Jane New Zealand Ltd
 - Lorna Jane Limited (CAD)
 - Move Nourish Believe (UK) Limited
 - Run Girl Run (Shenzhen) Co. Limited
 - Run Girl Run (Shenzhen) Co. Ltd Beijing
8. During the reporting period, company founders Lorna and Bill Clarkson repurchased 100% ownership in Lorna Jane. They are now the company's sole directors. This has enabled Lorna and Bill to more fully drive the strategic vision of Lorna Jane as a sustainable company that is committed to producing our products responsibly.

PART ONE:

MANDATORY REPORTING REQUIREMENTS PRELIMINARY INFORMATION



Our Operations

9. Lorna Jane is a leading women's activewear and lifestyle brand with locations across Australia, New Zealand, China, Singapore, United Kingdom, Canada and the United States. We have both physical stores and a successful online retail presence enabling products to be purchased and shipped globally.
10. Our headquarters are at 857 Kingsford Smith Drive, Eagle Farm Qld 4009.

11. During the reporting period, we closed our warehouses in Canada and the United Kingdom. Stock was relocated to our Australian warehouses due to changes in operational demands. We also relocated our warehouses in the United States and New Zealand to bigger, state-of-the-art facilities. These shifts have facilitated the introduction of a new digital operating system to increase efficiency. We also closed our retail stores in the USA to focus on our online business in this market.
12. Our operations have otherwise not changed materially since the first reporting period. Our primary business continues to comprise the retail sale of activewear products, including women's tights and leggings, shorts, tops, pants, jackets, tanks, sports bras, swimwear, and accessories.
13. Our corporate functions that support our main business activities are primarily undertaken at our headquarters in Queensland. These include our finance, procurement, human resources, distribution, along with marketing, and compliance.
14. We have 175 staff in our head office and approximately 790 staff in our retail operations.

Our Supply Chains

15. We have over 450 direct suppliers. This increase in the total number of suppliers between the first and second reporting periods is primarily due to the abovementioned shift in warehouses locations. Our suppliers remain overwhelmingly Australian-based. Our largest spend category has not changed between reporting periods.
16. We continue to purchase approximately 98% of our apparel products from an Australian based supplier that has its

PART ONE:

MANDATORY REPORTING REQUIREMENTS PRELIMINARY INFORMATION

apparel manufacturing hub and activities centralised at two factories in China. This apparel supplier has corporate operations and business services primarily within Australia, with additional supporting functions in global cities including Los Angeles and New York.

17. As a retail brand, we also procure finished apparel products for resale to our customers. Other related supply chains include goods and services for use and in support of our core operations:
 - Delivery, postal, courier, and road freight services
 - Marketing and advertising
 - Professional and business services including legal, tax, accounting, consulting, or IT services
 - Maintenance and cleaning services for our Corporate Office
 - Wholesale trade.
18. Raw materials for the manufacture of our products continue to be sourced by our supplier and originate from a wide range of regions including Southeast Asia and Europe.
19. These predominantly Tier 2 and Tier 3 supply chain inputs include the following raw material products and service categories:
 - Cotton & Cotton Textiles
 - Knitting Mills
 - Wool
 - Crop Cultivation
 - Chemical Fibres
20. In our second reporting period, have focused our resources on the following action areas:
 - Continuing the ongoing process of comprehensive risk assessment of our suppliers
 - Development of comprehensive supplier engagement frameworks with our new onboarding manual
 - Further enhancement of our commitment to ensuring that the workers employed by our suppliers are paid at least a 'living wage'.

PART TWO:

RISKS OF MODERN SLAVERY IN SUPPLY CHAINS AND OPERATIONS

21. Once again, no actual or suspected incidences of modern slavery were identified in our supply chains and operations over the reporting period. We recognise that this is not the purpose of the Act, nor an end in itself.
22. We fully acknowledge that the apparel industry continues to present elevated risks of modern slavery for a range of factors, including a prevalence of low-skilled and low paid workers, short lead times, and the concentration of manufacturing facilities in high-risk countries. By operating within this sector, we acknowledge the inherently elevated risk of either contributing to or being exposed to modern slavery within our operations and supply chains.
23. As part of our commitment to transparency in the fashion industry, we have continued to engage our external subject matter experts to undertake an in-depth risk assessment and mapping of our operational supply chains and we have traced the economic inputs required to produce products and services all the way to the tenth tier of our supply chain.
24. The assessment of our operational supply chains has used proprietary methods of assessing and balancing the complex interaction between a range of factors, including:
 - a. Total supplier spend amount (i.e. the value of our direct supplier contracts);
 - b. The industry category, including industries that, in turn, feed into particular categories further down the supply chain;
 - c. Geographical area of operation; and
 - d. Depth of tiering within the supply chain(s)- e.g., 3rd tier supplier, 5th tier supplier, etc.
25. The risk assessment of our second reporting period identified the same general industry categories with the highest potential modern slavery risks in our operations and supply chains. Aside from the warehousing changes and USA Retail store closure described above, our product lines, remaining retail operation, and suppliers have otherwise remained consistent.
26. As expected, the supply chains associated with the general industry category of “Wearing Apparel” (which comprises the bulk of our primary product range) represents the highest area of potential modern slavery risk. The nature of those risks, and our practical focus areas to address them are discussed below in Part 3.
27. Other general industry categories that have been assessed as having potentially elevated modern slavery risks include:
 - Postal and courier activities in the transportation and storage sector – this higher potential risk is primarily attributable to the industry-wide reliance upon unskilled and migrant workers. Such workers are at an increased vulnerability to deceptive recruitment practices and debt bondage to employment agents.
 - Domestic telecommunication services and advertising services - the higher risk categorisation is because of the heavy reliance upon supply chains featuring electronic products, such as computers and tablets, in their everyday operations.

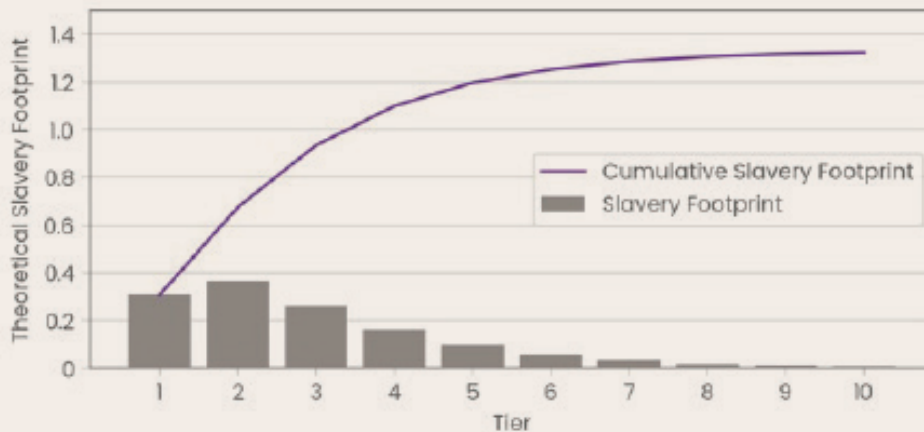
These technological /electronic inputs are typically manufactured or have components and /or raw materials sourced from locations that are considered high risk for modern slavery, including Malaysia or China.

PART TWO:

RISKS OF MODERN SLAVERY IN SUPPLY CHAINS AND OPERATIONS

28. Overall modern slavery risks are most concentrated at the first three tiers of our supply chain, as depicted Figure 1 below. This presents us with the opportunity to drive meaningful change in reducing, in real world terms, the modern slavery risks associated with our operations and supply chains.

FIGURE 1. PLOT GRAPH OF LORNA JANE'S TIER-BASED RISK PROFILE



29. This tier-based risk profile is attributable to our relatively large spend for sourcing apparel wear from our primary supplier. This primary supplier has overseas factories, including in geographical areas with a greater prevalence of modern slavery risks arising throughout the process of the sourcing of raw material to end stage manufacturing.

30. We are aware of specific modern slavery risk in various regions in China and continue to obtain certificates of origin for all raw materials used by our suppliers, as a further measuring of ensuring that our apparel is not manufactured with milled cotton produced in high-risk regions of China.

31. A more detailed description of the proprietary risk assessment methodology is detailed in the Appendix.

ADDRESSING MODERN SLAVERY RISKS

32. Lorna Jane has continued in its commitment to addressing modern slavery throughout the reporting period. Some of the key measures and activities that we have pursued are described below.

Our Modern Slavery Working Group

33. In our first reporting period, Lorna Jane established a Modern Slavery Working Group. One of the Group's key objectives was to engage key stakeholders across the full spectrum of our business so as to facilitate a coordinated and cross-divisional modern slavery response.

34. Our Modern Slavery Working Group has continued to meet regularly throughout the reporting period to review, monitor, and steer our modern slavery initiatives.

35. The Working Group is made up of the following senior representatives across multiple divisions:

- a. Global operations manager;
- b. Senior production manager;
- c. Head of Merch and Buying;
- d. Head of Marketing; and
- e. Head of Brand;

36. The Working Group has been heavily involved in the development of our new supplier manual, discussed below. The Group has also continued in regular communications relating to the progress of our primary vendor, including reviewing the findings of the WRAP desktop audit report and received union notes.

Supplier Onboarding Manual

37. A key focus area for this reporting period has been the development of a comprehensive Supplier Onboarding Program and Manual.

38. During the reporting period, we engaged a new senior production manager, who has driven this initiative, with the input of our Working Group.

39. The purpose of the Supplier Onboarding Manual is to provide a comprehensive guidebook to our suppliers and factories, and to facilitate deeper engagement and due diligence processes in relation to our suppliers on a long term basis into future reporting periods. The Supplier Onboarding Manual represents the most comprehensive supplier framework we have developed to date. All trading partners are required to review and sign their acknowledgement of the Manual and abide by its applicable terms and requirements.

Social Compliance Evaluation

40. The Manual creates a clear obligation for our suppliers and factories to meet our social compliance standards as a matter of high priority. Suppliers and factories must complete a social compliance evaluation, which integrates criteria that adhere to the principles of the ethical trade initiative ("ETI"), including:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour is not used

PART THREE:

ADDRESSING MODERN SLAVERY RISKS

- Living wages are paid
 - Working hours are not excessive
 - No discrimination is practiced
 - Regular employment is provided
 - No harsh or inhumane treatment is allowed
41. Our suppliers must provide Lorna Jane with an audit report from either of our approved social compliance programs, which address the above key ETI principles:
- WRAP certification program; or
 - Business Social Compliance Initiative (“BSCI”).
42. Any new suppliers we are looking to engage that do not have current reports or certificates from our approved programs, Lorna Jane will not commence any work with them until they can provide us with them and arrange to conduct a factory pre-audit inspection so we can evaluate for ourselves whether the supplier meets our standards for social compliance. If we undertake an audit, there is an established “traffic light” system for rating any non-conformance.
43. If a supplier is rated ‘zero tolerance’, we will not engage that supplier, and/or will prepare an exit strategy to promptly cease any existing business relationship. Zero tolerance factors include:
- Using child labour, prison, forced, indentured, or bonded labour;
 - Not granting access to all relevant records, workers, and areas of the factory to our vendor compliance evaluator; and/or
 - Falsifying documents (e.g. time cards in contradiction to production records).
44. If a supplier receives an ‘immediate action’ rating, we will work with the supplier to make necessary corrections in relation to the identified issue. However, if changes are not implemented within an agreed timeframe, we may upgrade the supplier rating to zero tolerance and proceed towards ending the supplier relationship.



ADDRESSING MODERN SLAVERY RISKS

45. Issues that are deemed ‘immediate action’ items include:

- Not paying the minimum wages to workers
- Not paying the correct overtime rates to workers
- Imposing fines on workers
- Requiring staff to work in excess of 60 hours per week
- Not practicing appropriate health and safety in the workplace
- Not practicing appropriate health and safety at dormitories

Quality Compliance

46. All new supplier factors are also subject to a quality compliance audit, which includes the following requirements:

- a. All raw materials used in the factory must be sourced from approved suppliers and tracked as part of a traceability system. This improves the transparency of our products, from raw material to retail merchandise.
- b. All employees must be provided with safe facilities, including proper tools, adequate lighting, safe and secure premises, and appropriate segregation of any chemicals.

Fair and Equal Treatment

47. In keeping with our commitment to the ETI principles, the Manual requires suppliers to:

- a. Establish a written policy to prohibit harassment and discrimination.
- b. Ensure that Female employees are not required to undergo pregnancy testing as a condition of employment, nor be dismissed if they become pregnant.

c. Develop a worker grievance policy and provide the policy to workers.

Responsibility, Transparency & Accountability

48. To assist Lorna Jane in assessing our suppliers’ compliance with our responsibility standards, unrestricted access is required to relevant records and all workers. Suppliers are also required to maintain accurate documents for at least 12 months in relation to wage payment, worker age, and employee working hours.

49. Our suppliers must provide employee onboard training addressing their rights under local laws, policies in operation under the Supplier Manual, and details to help them use the grievance mechanism. All employee training is to be provided in employees’ native language, including written components in handbooks or on notice boards.

50. To ensure Lorna Jane maintains maximum supply chain visibility, suppliers are prohibited from subcontracting production to third parties without our written authorisation.

Human Trafficking

51. The Supplier Manual clearly defines human trafficking and establishes zero tolerance for any form of human trafficking, including the use of trafficked victims within factories. We require suppliers to pass this standard down their own supply chains by establishing their own recruitment policies and procedures that expressly prevent human trafficking. Supplier human resources personnel are to be trained in the operation of the policy.

ADDRESSING MODERN SLAVERY RISKS

52. If a supplier becomes aware that it, or its subcontractors, has any trafficked persons in their facilities, they are required to strictly adhere to local legislation. In the absence of any regulations, the supplier must:
- Ensure employees suspected of being trafficked stop working immediately.
 - Pay the trafficked employees' wages including the current month and any back pay owed to them.
 - Provide health examinations to trafficked victims if the employees are found to be suffering psychological trauma.
 - Notify local authorities and ensure they are returned to their home country according to law.
 - If trafficked victims are recruited through third parties, the supplier shall stop using their services.
 - Conduct internal investigations within 5 business days to discover if there are other trafficked persons employed and implement corrective actions immediately.
53. Given that the new Supplier Manual has incorporated our position on sustainability and the environment, we have chosen to first incorporate our modern slavery provisions into this Manual, rather than via a standalone sustainability policy, as foreshadowed in our First Statement.
54. We have already provided our current suppliers with the Supplier Manual and will be issuing this to all new suppliers and factories as a part of the qualifying process moving forward.

Commitment to Living Wage

55. During the reporting period, Lorna Jane has taken further steps in our commitment to ensuring living-wage-based remuneration for all employees of all our suppliers.
56. We have ensured that all suppliers have accepted and signed our Supplier Code of Conduct, which includes the following provisions in relation to worker payment:
- All suppliers and subcontractors must pay all employees, regardless of gender, either the minimum wage or prevailing industry standard, whichever is highest. And this amount should be sufficient to cover basic needs for the employee and their family as well as provide some additional income.
 - Any wages and overtime premiums and any incentive (or piece) rates should be paid directly to the employee on time and in full.
 - All suppliers and subcontractors must provide employees with paid sick leave, annual leave, and statutory holidays.
 - All female employees should be entitled to receive maternity protection (leave and benefits as well as protection against discrimination).
 - Childcare benefits and special leave or working time arrangements for workers with family responsibilities shall apply to both men and women.

ADDRESSING MODERN SLAVERY RISKS



57. Our commitment to providing a living wage is published on our website, including details and links to the methodology we use in our approach to the living wage calculations - the Anker Methodology (as used by Global Living Wage Coalition). This globally recognised methodology concentrates on assessing the cost of a basic, yet decent, lifestyle for workers and their families by taking into account the following factors as applied to local geography:

- a. Food costs;
- b. Housing;
- c. Amenities; and
- d. Essential needs.

58. We have reviewed the most recent living wage benchmark reports for different regions in China undertaken by the Global Living Wage Coalition. We have cross-referenced our annual WRAP audit report for our preferred supplier against the highest living wage figure from these benchmark reports. We

confirm that the lowest gross wage paid to our primary supplier's employees in November 2019 was more than 1,000 RMB over the highest living wage figure published by the Global Living Wage Coalition. Whilst we recognise that this does not categorically establish that all workers are being paid a living wage, we still consider the results of this outcome to be a significant step in the right direction.

59. In terms of the current wages of our workers, Lorna Jane has requested and obtained a comprehensive wage audit of the primary factory of our apparel supplier. This factory is responsible for approximately 70% of our total apparel manufacturing activities.
60. The results disclosed that even the most junior sewers in the factory are earning well above the minimum living wage applicable for the region. Many of the workers are earning above the social average wage, which is in addition to the meal allowance and accommodation provided. Approximately 73% of the workers in the factory are female. The confirmation of such positive remuneration levels aligns with our commitment to addressing gender inequality.
61. In continuing our ongoing commitment to the payment of living wages, wage audits of the remaining 30% of factories will be completed in the near future, and any issues requiring further action to achieve universal living wage payment in our direct supply chains will be promptly addressed.
62. Lorna Jane has also supported initiatives developed by our apparel supplier to introduce an achievable bonus program. This is a supplementary incentive to increase worker wages in our primary factory. Union representatives of

ADDRESSING MODERN SLAVERY RISKS

the factory have supported these initiatives, which are scheduled for full implementation during the next reporting period.

63. These initiatives are designed to further develop positive, long term relationships with our factory workers. They have been developed in a way that ensures workers do not need to work overtime or meet unrealistic productivity quotas in order to receive additional, incentive-based remuneration. Features of the bonus programs include:
- a. Bonus payments to junior sewers encouraging a return to work after Chinese New Year, for every year until their wage increases to the category of a senior sewer.
 - b. A bonus for lathe workers that accumulates monthly and is paid every 6 months. The bonus increases depending on the length of time the employee has been on board at the factory.
 - c. All new sewers that pass a skills test will receive a bonus the first six months of employment.
 - d. The development of a mentoring system for new sewers, where an experienced sewer will be assigned as a mentor to a new sewer. Both of these employees will receive a bonus after the first three months of the new sewer's employment.
64. As detailed above, Lorna Jane has also incorporated specific measures into our Supplier Manual to ensure a high level of supplier transparency in relation to the wages paid to workers. It also sets out our expectation for suppliers to provide a living wage.
65. As part of our long-term commitment to improving the financial independence for our workers, Lorna Jane is in the process of a feasibility study in relation to its own formal living wage audit, using the Anker methodology, of our primary factory.
66. Well beyond the elimination of direct supplier modern slavery risks, we are aiming to ensure that wages paid are not just above minimum wage but are enough for our workers, in their local contexts, to have a decent standard of living.

PART FOUR:

MEASURING THE EFFECTIVENESS OF OUR RESPONSE TO MODERN SLAVERY RISKS

67. Lorna Jane remains committed to continuously improving our approach to assessing and addressing modern slavery risks in our supply chains and operations.

68. In our First Statement, we set out several key aims for this reporting period. The following table is a snapshot of our progress and provides our commentary in relation to these initiatives:

Key Action Area	Progress Scorecard	Comments
Continued engagement with primary supplier	Completed and ongoing during all future reporting periods	<p>We have continued to review the certificates of origin for all high-risk raw materials provided by our supplier, to ensure that no milled cotton is being sourced from the high-risk region in China.</p> <p>The supplier has been provided with our supplier manual and we are currently awaiting the executed copy.</p>
Undertaking a yearly audit of our primary supplier & review of their procedures	Completed and ongoing during all future reporting periods	<p>The working group has reviewed the yearly audit of our primary vendor and we will continue to assess all future annual audits and undertake any necessary due diligence in response to the findings.</p> <p>Lorna Jane has also met with the vendor to discuss the results of the WRAP audit report.</p>
Increased stakeholder engagement with modern slavery	Completed and ongoing during all future reporting periods	<p>The working group has met regularly and actively contributed to initiatives in the reporting period.</p> <p>During the next reporting period, we intend to undertake additional modern slavery training to improve our awareness and increase internal 'buy in' for modern slavery initiatives.</p>

PART FOUR:

MEASURING THE EFFECTIVENESS OF OUR RESPONSE TO MODERN SLAVERY RISKS

Key Action Area	Progress Scorecard	Comments
Operationalising policies and procedures	In progress and ongoing during the FY22 reporting period	<p>Supplier Code of Conduct All suppliers have signed our supplier code of conduct.</p> <p>Modern Slavery Provisions in Supplier Contracts Lorna Jane did not enter into any supplier contracts during the reporting period.</p> <p>Modern Slavery Provisions in Sustainability policy Lorna Jane has instead made the strategic decision to incorporate the modern slavery provisions in our supplier manual, which is an umbrella framework dealing with both modern slavery and sustainability.</p> <p>Whistleblower policy This is still in development and will be a focus area for the next reporting period.</p>
Due diligence of suppliers through the planned expansion of preferred supplier network	In progress and earmarked focus area for the next reporting period.	<p>Continued annual risk assessment of our suppliers.</p> <p>Lorna Jane has focused on the development of the supplier manual during the current reporting period, which will facilitate more comprehensive due diligence in future reporting periods.</p>

69. In addition to the above key performance indicators requiring ongoing effort and investment to continue to be met, Lorna Jane will use the next reporting period to achieve targeted action in the following additional key areas:

- a. Increased transparency for all key aspects of our modern slavery response
- b. Continued commitment to ensuring a living wage is paid to all workers in our direct supply chains
- c. The practical implementation of our Supplier Onboarding Manual
- d. Incorporation of additional provisions in our Whistleblower Policy that expressly address modern slavery issues.

PART FIVE:

CONSULTATION WITH CONTROLLED ENTITIES & OTHER RELEVANT INFORMATION

70. Throughout the reporting period, Lorna Jane has consulted extensively with its subsidiaries and controlled entities to ensure that our modern slavery risks are being addressed across the organisation.
71. The comprehensive supply chain assessment for modern slavery risks detailed above, along with other due diligence and remediation measures, have been undertaken for all supply chains and operations, including those applicable to the separate controlled entities described in this Statement.
72. We have remained unable to undertake any on-site spot-checking of these factories during the current reporting period due to the ongoing COVID-19 pandemic. However, we remain in regular communication with the owners of these factories, including to ensure that appropriate worker protections remain in place.



APPENDIX:

INITIAL RISK ASSESSMENT METHODOLOGY SUMMARY

1. As discussed in Part Two of this Statement, building upon the comprehensive initial risk assessment that was carried out as part of our inaugural reporting period to identify the elevated areas of modern slavery risk in our supply chains, we engaged our external subject matter experts to carry out the same comprehensive risk assessment in relation to new supplier categories that were not previously subject to assessment. This baseline exercise provides the basis for our subsequent focus for ongoing due diligence and remediation activities across not only the present reporting period but for upcoming years.
2. Incorporating company spend data throughout global markets, we have utilised external consultants with proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of Lorna Jane's top suppliers by spend.
3. This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:
 - The United Nations' (UN) System of National Accounts;
 - UN COMTRADE databases;
 - Eurostat databases;
 - The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
 - Numerous National Agencies including the Australian Bureau of Statistics.
4. The MRIO is then examined against the following international standards:
 - The UN Guiding Principles on Business and Human Rights;
 - The Global Slavery Index;
 - International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
 - The United States' Reports on International Child Labour and Forced Labour.
5. A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for each supplier of Lorna Jane.
6. This analysis was performed for the purposes of risk identification under Section 16(1)(c) of the Act. No information confirms the actual existence or non-existence of slavery in Lorna Jane's supply chains or operations. Analysis was undertaken at the industry and country level. It does not account for variances at the entity, region or product level.
7. The multi-faceted approach to modern slavery risk assessment that we have undertaken has included examination and analysis of the following:
 - The individual suppliers and industries with the most elevated risk of modern slavery;

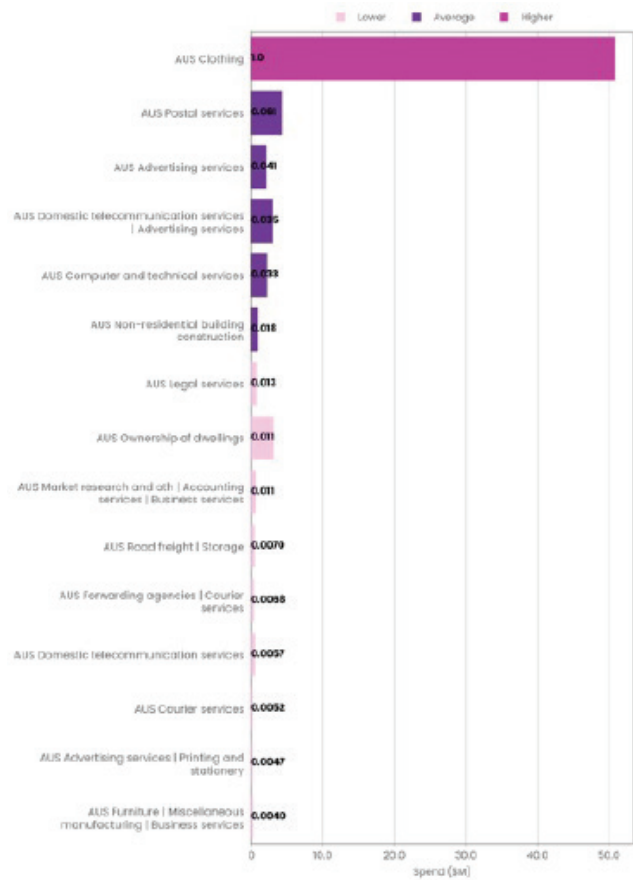
APPENDIX:

INITIAL RISK ASSESSMENT METHODOLOGY SUMMARY

- Supply chain plots to provide a visual representation of the supply chain and investment supply chains for Lorna Jane’s top 3 first tier industries;
- Plotting the relative slavery risk in the supply chain by tier, up to tier 10;
- Geographical depiction of the cumulative risk of modern slavery across the supply chain and investments around the world; and
- An overview of the classification of the first tier of our supply chain and investments by country and industry, including relative modern slavery risk.
- Suppliers in our supply chains and operations that posed any calculated risks in relation to modern slavery were identified.

Top 15 Industry Categories for Lorna Jane

8. The top 50 suppliers in our operational supply chains that posed the highest calculated risks in relation to modern slavery were identified for the second reporting period, as identified in the following graphic:



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UNDER THE MODERN SLAVERY ACT 2018 (CTH)

Reporting Period: 1 July 2020 to 30 June 2021

