

Retail Holdings Pty Ltd MS Statement 2022

sussan *Sportsgirl* suzannegrae

Retail Holdings Pty Limited (RHPL) (ABN 71 093 246 032) is the legal entity of the Sussan Group, a privately owned company established in Australia over 80 years ago and incorporates the businesses of Sussan Corporation (Aust) Pty Ltd (ABN 79 772 682 378), Sportsgirl Pty Ltd (ABN 77 090 049 415) and Suzanne Grae Corporation Pty Ltd (ABN 11 580 943 436).

This Modern Slavery Statement has been prepared as a joint statement by Retail Holdings Pty Limited after consolidation with its subsidiary companies Sussan Corporation (Aust) Pty Ltd, Sportsgirl Pty Ltd and Suzanne Grae Corporation Pty Ltd

getting to know us

Retail Holdings Pty Limited, known as "The Sussan Group" has its main operations (head office) in Melbourne and a satellite office in Sydney. Over 3,000 enthusiastic team members are directly employed across Australia in various functions including administration, distribution, e-com and our store teams within our retail outlets. Our distribution model has its main warehouse hub located in Sydney and a support e-comm facility located in Melbourne.

As a leading Australian fashion retailer, we sell quality garments and accessories through over 450 retail outlets within Australia and through our on-line (e-comm) platforms.

Our supply chain uses a sourcing model where 76% of our products are manufactured in China, through a combination of a direct sourcing model and both local and offshore trading agents. Over the last year, we have continued to expand our sourcing network, collaborating directly with suppliers in other sourcing markets such as Australia, Bangladesh, Hong Kong and Vietnam.

Our extensive range of quality products are transported to our Distribution Centre's located in Melbourne and Sydney and onto our retail outlets or online customers via various types of freight movement including sea vessels, air freight and road or rail transport options.

identifying potential risks

To assist to identify Modern Slavery risk, we need to be clear on what Modern Slavery means to us. RHPL defines Modern Slavery as any situation where one person has taken away another person's freedom through threats, violence, coercion, abuse of power or deception so they can be exploited. We also understand that Modern Slavery can be found in a range of practices including human trafficking, slavery, forced labour, child labour and other slavery-like practices.

We have also worked to understand what Forced and Compulsory Labour within our supply chain means to us and have defined this as "any work or service that is expected from any person under the menace of a penalty for which that person has not offered themselves voluntarily."

Retail Holdings Pty Limited strictly prohibits any type of modern slavery which includes forced and compulsory labour across our entire business operations.

We believe the risk of modern slavery and forced labour can only be fully understood when we have an understanding of our end-to-end supply chain and the diverse types of relationships and risks that exist across our sourcing model at each level of production. To assist us to achieve this, we have continued to focus on tracing our Supply Chain as we work towards our goal of 100% traceability across all stages of production.

Over the last year, we have maintained 100% traceability of our Tier one factories while also continuing to further trace the deeper stages of our supply chain. We have broken down the tiers of manufacture across

our supply chain and then created mini targets within each tier of manufacture. With the current trends and potential concerns of forced labour and modern slavery across global Cotton sourcing regions, we are focusing on our Tier 3 and 4 stages of manufacture to ensure we have a clear picture of where our Cotton is sourced including an understanding of the workers involved in cotton growing and cotton processing industries. We understand this task will never end and we still have lots to do.

We are committed to continue focusing on traceability over the coming years to further understand all areas of our supply chain.

Travel and meeting in group events was not permitted over the last year so meetings with our Suppliers have continued to be an ongoing challenge. To ensure we protected our Suppliers, workers and team members at all times, our buying, production and sourcing teams kept communication lines open by holding daily, weekly or monthly online discussions between our team and Supplier partners as required.

Our Product and Standard Operating Procedure manuals have been updated to further improve our supply chain governance which includes releasing these documents to all product Suppliers across our business.

We also saw face to face training session restrictions continue over the last year due to the ongoing COVID precautions however we recognise the importance of these sessions in training our team to be aware of the risks of Modern Slavery and how our purchasing behaviours may contribute towards possible Modern Slavery situations. It is also important our team are trained on how to recognise

Modern Slavery and the actions to take if they become aware of or suspect any form of modern slavery anywhere in our business. We have commenced rescheduling these training events over the coming year.

We recognize these areas are important and acknowledge a lack of training may contribute to the risk of modern slavery as workers may be forced to work an excessive and unsafe number of hours as a result of decisions we have made. While we are mindful of these concerns, our continued focus over the coming year remains to ensure our team adhere to our internal Responsible Sourcing Policy which provides our team with guidance on how to operate ethically.

Potential modern slavery risk may also arise through our raw materials sourcing as we engage our Suppliers to source these products on our behalf. While the suppliers

act at our request, RHPL do not have a direct link to the raw materials suppliers, and we know this increases our risk of being directly linked to potential cases of modern slavery through the actions of the supplier or sub-contractors involved.

As a result, we rely on our suppliers to engage and enforce our sourcing and Ethical Code of Conduct expectations in their own supply chains across all areas of production for RHPL products. To support the governance of our supply chain, we will continue to implement strong practices and expectations which assist to mitigate the risk of modern slavery within our business operations.

Our expectation is that all suppliers and sub-contractors across our entire global supply chain will always adhere to these governance principles.

% of Purchases By Factory Location (Country) - FY22

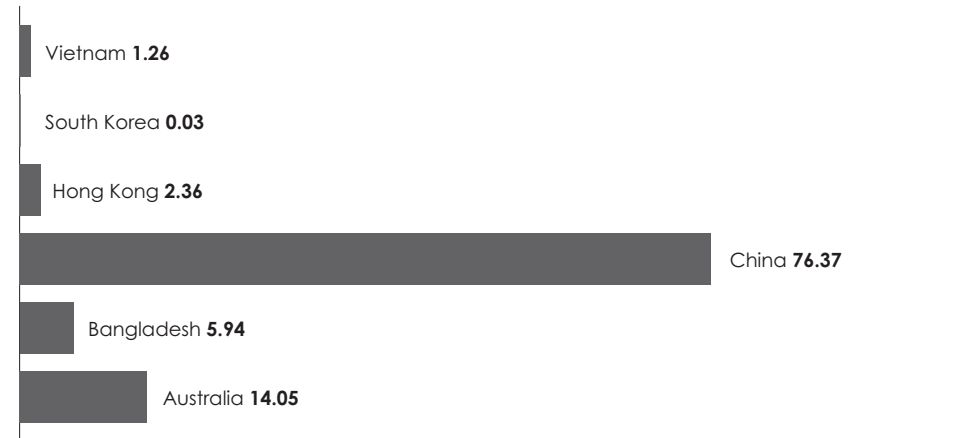


Fig 1 Purchases by Factory Manufacturing Country



our steps

Our Suppliers are more than just our suppliers, we believe they are our partners, some of which have worked with us for over 20 years. Ensuring we have the right tools and guidance in place to support our Suppliers and their factory workers is at the core of our sourcing goals. Our Supply chain partners, and our internal team members have been key in enabling us to provide clear and concise governance expectations to all factories and sub-contractors.

We have continued to work with external resources to guide us further on our journey to improve. Through education and a deeper understanding of social compliance requirements, we completed an annual review of our Ethical Code of Conduct and made further changes and improvements in our expectations. We are currently working through an update to our Supplier Agreement which will be rolled out and updated across our Supply Chain this year.

Our requirements and expectations across all areas of governance are communicated through the following documents:

- Ethical Code of Conduct
- Supplier Agreement & contractual obligations
- Factory Social Compliance Audit Mutual Recognition Program
- Supplier Manual

We have also completed our annual Modern Slavery Risk Assessment to measure our performance and also identify further areas of opportunity where we can prioritize focus areas to assist in further reducing the risk of modern slavery across our supply chain.

Part of this assessment includes reviewing our Group Sourcing Policies including our Group Modern Slavery Policy. Our sourcing documents detail our expectations across different areas of compliance such as

modern slavery, forced labour, child labour, freedom of association and grievance mechanisms. More importantly, included within each policy is a remediation plan should a non-compliance finding be identified. This remediation plan must be followed by all parties involved, ensuring the welfare of the worker always remains our primary focus.

Our supply chain review remains an ongoing, dynamic requirement that considers a number of factors when identifying supply partners. We have recently implemented a new software platform in our business which assists us to manage our entire Supply Chain (across both Suppliers and Factories). We will continue to train internal team members on using the platform which also allows us to map our entire supply chain visually.

As a result of our actions, we have continued to see an improvement in both the overall number of findings identified in factory audits and the timing taken to rectify findings by Factory management. With our Supplier Scorecard and factory social compliance rating system, our goal is that orders will be placed with Suppliers who use factories with higher compliance scores.

In addition, factories who receive higher scores are rewarded with longer audit frequency timelines, meaning the re-audit window is extended. This allows us to focus more on those factories that require our attention and support to address corrective actions in a timely manner.

Protecting our Head Office, Distribution and Retail team members from any element of Modern Slavery which may arise through their employment is also a key requirement of the way we do business.

As a Group, we have implemented a range of Policies and Procedures which govern both our internal team members and the Group's behaviour to protect our team members from

any type of Modern Slavery while holding ourselves to the same expectations we have of those in our supply chain.

All Group team members are encouraged to raise any concern they have through our Whistle-blower program to ensure grievances, problems or complaints are resolved confidentially and in a timely manner. If a team member raises an issue, every report made by the team member is investigated and if required, an external investigator may be appointed.

We extend our expectations to protect workers who provide diverse services to our business through our contractor partners. We always seek to align our business with internationally recognised service providers and operators who have Modern Slavery governance programs in place where possible.

Where we work with smaller based domestic contractors, we have an expectation that they also implement measures that protect their workers who may work in different areas of our business. Our ongoing focus is to review and implement stronger governance requirements within all Contractor and Service Providers to the Group as we continue to focus on these actions in 2023.

At the Sussan Group, we value all team members in our business and are committed to ensure our team members are always protected and always supported.

We have committed to continue to work with both external and internal stakeholders to grow our knowledge and further reduce our risk by making more informed sourcing decisions.

This approach aligns to our Group Responsible Sourcing Policy which assists to educate and guide our team on expected purchasing behaviours.

ensuring we're on track

Social Compliance auditing is our most valuable tool in ensuring we protect workers against any type of modern slavery, while providing us the opportunity to identify further opportunities to improve our social compliance auditing program.

Our Supply Chain in numbers (2022):

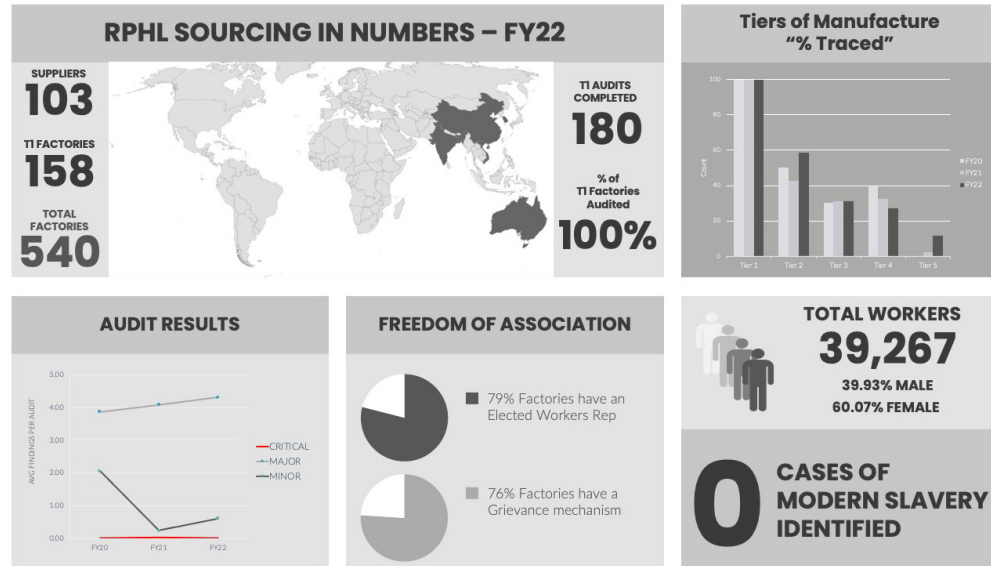


Fig 2 RPHL Sourcing in Numbers FY22

Over the last year, 180 independent social compliance audits have been completed across our network of manufacturing units and facilities globally.

We have used these assessments to help us identify any concerns and where required, we have worked with our Supply chain partners to implement remediation programs. Our actions include following

up to ensure these corrective actions had been actioned and corrected within the required timeframes.

Every factory audit conducted included both individual and group worker interviews. Worker identities are protected, and workers are encouraged to answer our questions freely. Every audit report is assessed and reviewed to identify any findings or concerns.

We also require factories to ensure workers have a mechanism to voice their concerns. We support freedom of association in all aspects and have an expectation that all factories will work towards implementing a Workers Representative Committee in addition to any other worker grievance mechanism (such as a confidential hotline, suggestion box, committee, open door policy etc.)

We are pleased to see 79% of our factories have a worker elected workers representative in place. Our expectation is that 100% of our factories will have a worker elected representative in place and we are committed to continue to work with our Supply Chain partners to achieve this goal.

We have not lost sight of the importance of visiting factories in our sourcing markets however the continued lockdowns and travel restrictions have made this impossible to undertake again during this year. Our travelling has now recommenced, and we are excited to be on the ground in factories and meeting Suppliers face to face for further discussions on how we work together to mitigate the risk of Modern Slavery in our entire supply chain as we progress forward.

A key indicator in measuring how our controls are working to reduce the risk of modern slavery is the actual number of modern slavery cases identified across our business during the year. We did not identify any cases of Modern Slavery this year however we also know we need to keep focusing on identification tools to ensure we keep up to date with modern slavery risk globally.

Our expectation of our supply chain is that any identified potential case of modern slavery is reported to the Group Ethical Sourcing Manager and our remediation plan put into place immediately. Our remediation process then requires an independent investigation to be conducted to ensure the worker is always protected.

We are committed to protecting workers and have developed strong governance requirements on suppliers to ensure we achieve this expectation across all levels of production in our supply chain.



a group approach

As part of our Group approach, we constantly engage with the Senior Leadership team across the Group and the greater business teams to ensure we have a unified approach to everything we do. Each Brand follows the same guidelines, Policies and expectations across our entire business operations and supply chain.

Our Group Sourcing function works to grow and strengthen our internal sourcing program by aligning each brand to our suite of Group social compliance documents (such as our Ethical Code of Conduct, Sourcing Policies, Responsible Sourcing Policy, Supplier Agreement and our mutual recognition factory audit program).

To further assist our business operations and supply chain, we have also continued to utilize external resources to educate and assist our whole team to implement actions we need to take towards building a world class supply chain. Ensuring we operate this way is our Group Approach.

working together

As we approach 2023, we are seeing the challenges of the last few years start to recede. While we see reductions in some areas, the risk of modern slavery remains constant and we know we need to continue to play our part in protecting workers, not just during a pandemic but as we grow together with our valued Suppliers for our ongoing mutual success.

We continue to collaborate across our business and with our supply chain providers to ensure our entire business operates in a COVID safe and friendly way that supports and protects all those involved in the manufacture of Sussan Group products globally. This includes the ongoing requirements to provide personal protective equipment (PPE) to protect workers from the risk of COVID infections.

Further information on our Group Ethical Sourcing program can be found here:

Sussan

sussan.com.au/ethical-conduct

Sportsgirl

sportsgirl.com.au/ethical-code-of-conduct

Suzannegrae

suzannegrae.com.au/ethical-conduct

Approval

This Modern Slavery Statement has been approved after consultation with Sussan Corporation (Aust) Pty Ltd, Sportsgirl Pty Ltd and Suzanne Grae Corporation Pty Ltd.

The Statement has been approved by Naomi Milgrom AC, Sole Director, Executive Chair and Chief Executive Officer on 1/12/2022.



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