



Best&Less Group



MODERN SLAVERY STATEMENT

Best & Less Group Holdings Ltd

FINANCIAL YEAR 2024

Best&Less **Postie**

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Registered Office

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Rhodes NSW 2138

Acknowledgement

Best & Less Group acknowledges the Traditional Custodians of Country throughout Australia and New Zealand and recognises their continuing connection to land, waters, and community. We pay our respects to them and their cultures, and to Elders past, present and emerging.

MESSAGE FROM THE EXECUTIVE CHAIR



Best and Less Group Holdings Pty Limited (Best and Less Group) releases its Modern Slavery Statement, which outlines the measures taken in FY2024 to identify and mitigate the risk of modern slavery within its operations and supply chain.

Best and Less Group recognises its responsibility to minimise these risks and is devoted to implementing positive changes. Our commitment is to ensure that all facets of our operations and supply chain adhere to the highest ethical standards.

We recognise that modern slavery, an abhorrent crime, disproportionately affects women, denying them their freedom, dignity, and basic human rights. As family is at the heart of our business, we are acutely aware of the importance of protecting and advocating for the well-being of women and families.

At Best & Less Group, we have zero tolerance for slavery in any form and maintain a transparent approach to ethical sourcing across our entire business. In our ongoing commitment to eradicating modern slavery, we continue to refine and build on our comprehensive measures throughout our operations and supply chain. In this report, I am pleased to share an update on the progress of the Best & Less Group modern slavery initiatives.

We remain committed to expanding our efforts in building higher-quality relationships with our suppliers to increase our confidence in the goods and services we use in our business or resell to our customers.

During the year we further invested in our robust Product Lifecycle Management system, that was implemented in FY2023, to track and monitor our products from sourcing to distribution. This system significantly enhances our capability to monitor: supplier information, audit outcomes, corrective action plans, and audit expiration dates. It offers increased transparency and ensures adherence to our ethical sourcing standards.

I am pleased to report that there has been an increase in the number of factory visits and third-party audits. Factory visits offer valuable opportunities to observe modern slavery compliance, conduct supplier training, build supplier relationships and address issues directly on-site. Over the past year, we have visited more than 50 factories in China, Bangladesh, and India. This will continue to be a focus going forward.

Regular third-party audits of our Own Brand merchandise factories remains central to our modern slavery program. Through these audits, we ensure that fair wages, safe working conditions, and appropriate labour practices are maintained. This year, we conducted 184 factory audits (last year 85) across 5 countries. Our 56 QIMA audits had an average score of 8.7/10, well above the industry average of 7.4/10. Other audit partners do not have the same scoring rating, but we apply consistent criteria that must be achieved to be an approved factory. All 128 from BSCI and SMETA (4 Pillar) audits achieved satisfactory or better compliance rating.

We continue to proactively manage our supplier relationships and factories. This year we further tightened controls on the approval and removal of factories, improving our ability to manage modern slavery risks.

Our efforts to combat modern slavery are an ongoing initiative. We are consistently incorporating feedback, refining our policies, practices, and procedures, and collaborating for sector-wide change to ensure that we lead in ethical business operations.

I extend my gratitude to the Best & Less Group community for their steadfast support and dedication to our values. Together, we can make a significant impact in the fight against modern slavery.

Ray Itaoul
CEO

A handwritten signature in black ink, appearing to read 'R. Itaoul', located below the CEO's name and title.

ABOUT THIS STATEMENT

Best & Less Group Holdings Pty Ltd (ABN 76 642 843 221) is an Australian private company (Best & Less Group).

This statement has been published in accordance with the Modern Slavery Act 2018 (Cth). It identifies the steps taken by Best & Less Group to prevent modern slavery in its business and supply chains during the period 1 July 2023 to 30 June 2024.

Following the Australian Government's review of the Modern Slavery Act 2018 conducted in 2023, we are also monitoring the progress of the Modern Slavery Amendment (Anti-Slavery Commissioner) Bill 2023.

The following Best & Less Group subsidiaries are considered reporting entities:

- Best & Less Pty Ltd ABN 29 003 724 696 (Australia); and
- Postie Plus Group Ltd NZBN 9429041282472 (New Zealand).

Best & Less Group also has the following two other subsidiaries however they do not participate in trade:

- Best & Less Group Pty Ltd (ACN 081 408 791) is the holding company of the various Group subsidiaries; and
- Best & Less IP Pty Ltd (ACN 642 843 089) is the owner of various IP belonging to Best & Less Group.

This Modern Slavery Statement has been made on behalf of the above entities and has been reviewed and was approved by the Best & Less Group Board.



ABOUT US

Best & Less Group includes the brands Best & Less in Australia and Postie in New Zealand, both of which are renowned and prominent retailers specialising in affordable apparel, footwear, homewares, and accessories for the entire family. Our unwavering mission is to provide these products at consistently low prices, while prioritising the protection of human rights and reducing the ecological footprint.

With a dedicated team of over 4,215 members, we cater to approximately 19.5 million customers annually through our 252 physical stores and online platforms. Our supply chain operates on a global scale, collaborating with a network of 1,181 direct suppliers across various merchandise categories and trade goods and services.

MERCHANDISE SUPPLIERS

Our product range comprises two distinct categories of merchandise suppliers:

- **Third-Party National Brands:** Our stores stock well-known brands like Tradie, Underworks and Bonds, among others, as part of our extensive range. These brands offer additional accessories and impulse products, sourced from both recognised and lesser-known suppliers. It is important to note that these products are not designed or manufactured by the Best & Less Group.
- **Own Brands and Directly Licensed Products:** These products, encompassing apparel, footwear, homewares, and accessories, are meticulously designed and sourced by the Best & Less Group. We take great pride in creating and curating these items to meet our customers' expectations.

The ability to influence our Own Brand merchandise suppliers is greater than of those under our Third-Party National Brands and therefore our Ethical Sourcing Program, whilst it applies to all, is focused on increasing visibility and managing the following supplier tiers in our Own Brand merchandise suppliers.



4,215
team members



19.5 million
customers



252
stores + online



over 1,181
direct suppliers

	TIER 1	TIER 2	TIER 3
OWN BRAND MERCHANDISE SUPPLIERS	Manufacturers	Fabric mills, component manufacturers and freight forwarders	Raw materials
GEOGRAPAPHY	China, Bangladesh, India, Pakistan and Indonesia.	China, Bangladesh, India, Pakistan and Indonesia.	Cotton – Australia, India, China, Pakistan and Bangladesh Rubber – China. PVC – China.
PROCESSES COMPLETED	<ul style="list-style-type: none"> • Cutting • Sewing • Finishing • Packing • Shipping 	<ul style="list-style-type: none"> • Knitting • Dying • Printing/ Embroidery • Accessories and trims 	<ul style="list-style-type: none"> • Cotton Farms • Synthetic extraction

To ensure transparency, we undertake stringent measures to develop our Own Brands. We collaborate with 137 manufacturers located in 241 audited factories across China, Bangladesh, India, Pakistan (1) and Indonesia (1).

A comprehensive list of our merchandise manufacturers and factory locations are readily available on our websites, and are regularly updated

These manufacturers source fabrics mostly local to their region including cotton, cotton-blend, viscose and synthetic polyester.

We do not work with factories or knowingly source materials from regions we believe do not meet the requirements of our Ethical Sourcing Code. This includes from Uzbekistan and the Xinjiang region of China.

One of the industry challenges is fibre, such as cotton, is stockpiled at the spinners. Whilst we instruct spinners and knitters not to source raw materials from these areas, we cannot guarantee it.

TRADE SUPPLIERS

The Best & Less Group continues to procure a diverse range of goods and services in connection with its business operations at its Retail Stores, Distribution Centre and Store Support Centre. These include transport and logistics services, rent, office supplies (IT equipment, stationery and furniture), cleaning services, waste disposal services, store development services (store fit out) and other services (marketing, consultancy and professional services) as well as cleaning, electricity and water supplies.

RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

OUR APPROACH

At the core of our modern slavery risk management is our commitment to upholding policies that prioritise ethical practices. Our objective is to conduct thorough due diligence in a systematic and consistent manner, integrating it seamlessly into our regular business operations.

We view due diligence as an ongoing and dynamic process, involving the identification of potential risks and their impacts on individuals. Taking proactive measures to address these risks and minimise their effects, including prevention, mitigation, and remediation, is an integral part of our approach. Furthermore, we strive to demonstrate our respect for human rights by being accountable for our actions and ensuring their alignment with our stated commitments.

Our modern slavery risk management process also encompasses the continuous assessment of risks, active measures to combat them, and a transparent demonstration of our commitment to upholding human rights in practical terms.



ASSESSMENT OF MODERN SLAVERY RISK

Best & Less Group is committed to proactively analysing modern slavery risks within our operations and supply chains, with a particular focus on addressing forced labour and child labour.

To ensure a comprehensive evaluation, we involve our internal teams, who provide qualitative input through activities such as factory inspections. Additionally, we engage with external experts to gather further insights, incorporating their knowledge and expertise into our analysis.

Our 2024 analysis considers various factors, including:

- Country risk indicators: We rely on sources like the Global Slavery Index and QIMA risk profiling to assess the risk of modern slavery in different countries.
- Product sector risk indicators: We consider manufacturing and sourcing risk indicators, often obtained from SEDEX reporting, to evaluate the risks associated with specific product sectors.
- Vulnerable groups: We pay attention to the presence of vulnerable groups within specific countries or regions to better understand the potential risks they face including women and migrant workers.
- Visibility: We consider the level of supply chain visibility that we have as part of our assessment of the potential risk of modern slavery.

Our Merchandise Labour Rights risk assessments review both inherent and residual risks across the supply chain, covering manufacturing, fabric mills, component manufacturers, freight forwarders and raw material suppliers. We identify the groups most affected by these risks and implement actions to mitigate them. Regular reviews of the risk register enable us to manage any changes to the risk profile effectively.

Based on our assessment, we conclude that the Best & Less Group is not directly linked to modern slavery. We have implemented various policies and controls to ensure that we do not contribute to modern slavery. However, we acknowledge that there is an inherent risk within the textile sector, and our buying practices may unknowingly contribute to such issues. Consequently, we are committed to continuously enhancing our understanding of our suppliers' business practices, aiming to minimise this risk as much as possible.

RISK IN OUR OPERATIONS

BUSINESS AREA	RISK PROFILE
Operations	Remains Low: predominantly Australian and NZ workers directly engaged

As previously reported, the risk of modern slavery in the Best & Less Group's operation is low with no material changes to our policies, systems or processes including our internal auditing program which ensures these risks are continuously reviewed. This is because:

- the vast majority of our team members at the Best & Less Group are directly employed on full-time, permanent, or casual contracts, with approximately 68% of our workforce covered by Enterprise Bargaining Agreements and the remainder on individual agreements
- our team members have the right to engage in collective negotiations, with or without the involvement of third parties, such as unions
- our Employee Code of Conduct outlines the organisation's standards, emphasising a zero-tolerance policy for workplace harassment, bullying, bribery, corruption, discrimination, and serious misconduct, including worker exploitation
- induction training, mandatory for all team members, includes familiarisation with the Employee Code of Conduct
- our labour hire contractors are directly managed on site at our Australian distribution centres and online fulfillment centres. They are employed Australian-based labour hire firms who must comply with Australian laws
- our Worker Grievance Hotline offers a confidential and independent channel for reporting grievances
- we conduct regular internal audits of our systems and processes with any findings promptly rectified
- we continually strive to improve our systems and processes to mitigate risks effectively in the future.



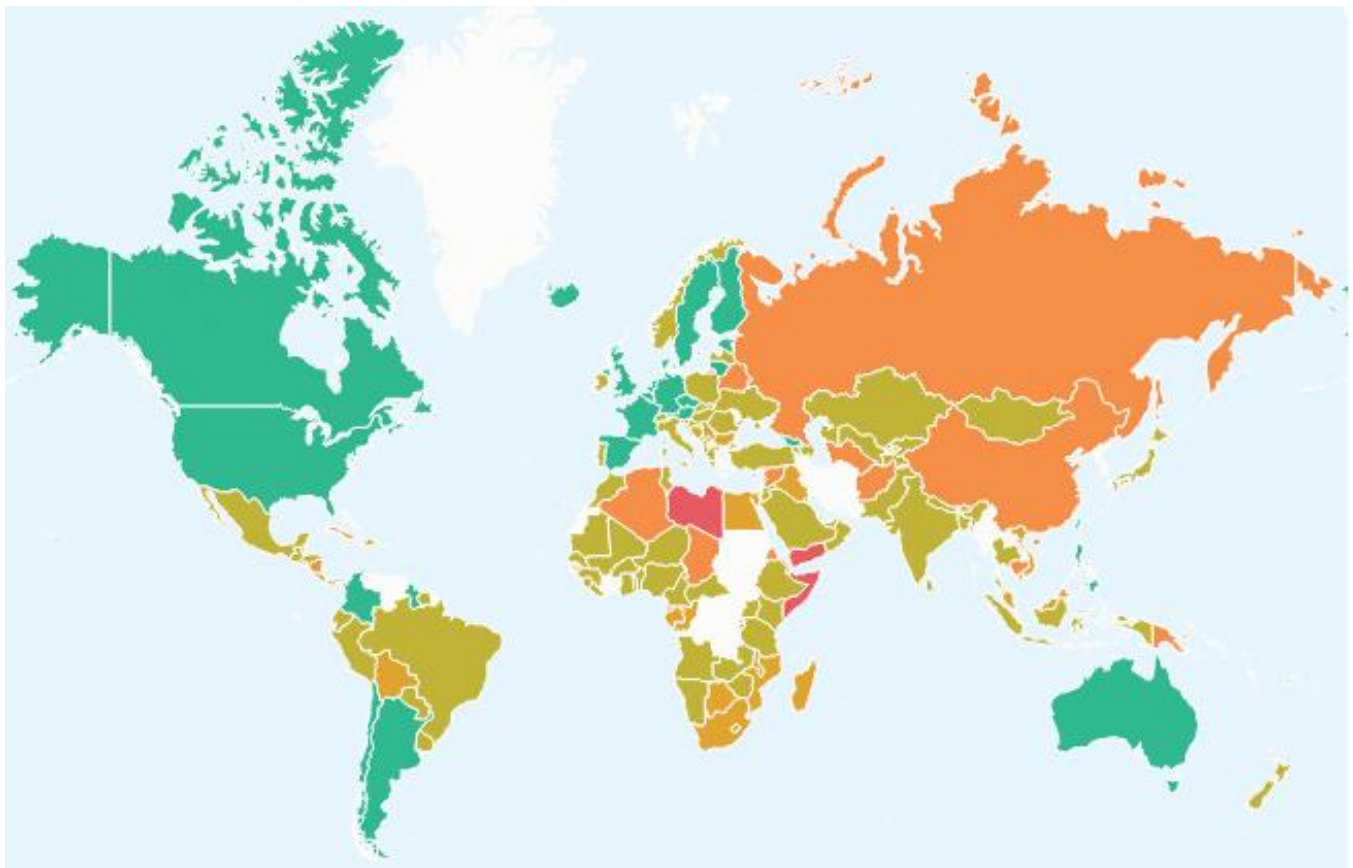
RISKS WITHIN OUR MERCHANDISE SUPPLY CHAIN

BUSINESS AREA	RISK PROFILE		
Own Brand Merchandise suppliers	TIER 1: Manufacturers	TIER 2: Fabric mills, component manufacturers and freight forwarders	TIER 3: Raw materials
	<p>Moderate</p> <p>Our suppliers are routinely audited but are located in higher risk countries.</p> <p>Keeping our supplier base small, allows us to ensure management and oversight which helps to minimise and manage any risks.</p>	<p>High</p> <p>These suppliers are based in higher risk countries with the Group having less visibility and control over each supplier.</p>	<p>High</p> <p>Due to less visibility and the country risks associated with the raw materials we use in our products; this tier is our highest risk.</p>
Third-party National Brand merchandise suppliers	<p>Moderate</p> <p>Given the relative lack of control the Best & Less Group has over these Tier 1 suppliers, similar to our Own Brand suppliers, we continue to work with these brands directly to ensure their sourcing frameworks align to our expectations.</p>		

At Best & Less Group, we have a strict policy of zero tolerance towards any manifestation of modern slavery. This includes the firm stance against employing child labour, forced labour, or bonded labour in the production or sale of our garments. Nonetheless, we acknowledge that there is a potential risk of modern slavery in the supply chain of all products and services.

The Best & Less Group acknowledges that its Tier 1 Own Brand Merchandise Suppliers, operating in high-risk countries such as China, Bangladesh, India, Pakistan and Indonesia, carry a moderate risk. However, the company maintains direct relationships with all Tier 1 suppliers, allowing for active risk management and mitigation. We use the QIMA ESG risk indicators to identify ESG risk across countries in which we operate. Separately

Figure: QIMA Country Risk Profile- Trafficking in Person Tier



Countries ranked from Worst Best

Rank	Country Name	Tiers
170	Libya	4.000
169	Somalia	4.000
168	Yemen	4.000
167	Afghanistan	3.000
166	Algeria	3.000
165	Belarus	3.000
164	Cambodia	3.000
163	Chad	3.000
162	China	3.000
161	Cuba	3.000
160	Djibouti	3.000
159	Equatorial Guinea	3.000
158	Eritrea	3.000
157	Guinea-Bissau	3.000
156	Macau, China	3.000
155	Nicaragua	3.000
154	Papua New Guinea	3.000
153	Russia	3.000
152	Syria	3.000
151	Turkmenistan	3.000

The Best & Less Group also keeps the supply base small and manageable in higher risk countries such as Bangladesh where ~10 supplier provide goods to the Best & Less Group. This has allowed the Best & Less Group to establish enduring partnerships with these suppliers, averaging a decade in length. This has been built through rigorous onboarding processes, open communication, working on corrective action when needed or moving away from a supplier who is not aligned to the values the Best & Less Group holds. These strong relationships also allow for open discussions about factory expansion, particularly if the manufacturer is looking to expand into an unfamiliar jurisdiction, potentially increasing our risks. In these types of cases, we work with the manufacturer to look at local options for expansion. If they wish to expand into unfamiliar jurisdictions, we will not approve the production of the Best & Less Groups products in these factories.

Subcontracting is strictly prohibited unless approved by the Best & Less Group's General Managers of Merchandise following a satisfactory third-party audit. Although unauthorised subcontracting remains a risk, we have implemented processes, such as pre-shipment inspections, to identify such practices. If unauthorised subcontracting is discovered, we follow our remediation process and address the issue with factory management, resolving any breaches of our agreements with the manufacturer. We maintain an updated list of all Own Brand Merchandise Suppliers on our websites.

The highest risk of modern slavery lies further down the supply chain, specifically in Tier 2 (Fabric mills, component manufacturers and freight forwarders) and Tier 3 (Raw Materials suppliers) where visibility into workers' conditions is less clear due to the absence of direct relationships. To address these higher-risk categories, the Best & Less Group joined SEDEX (Supplier Ethical Data Exchange) in FY22. As a global membership organisation, SEDEX provides an online platform and tools to enhance supply chain visibility and management. The Best & Less Group has also commenced Third -party auditing of Tier 2 suppliers to minimise the raw material risk.

There is also a moderate risk of modern slavery within the supply chain of our Third-Party Brands, which manufacture in the same locations as the Best & Less Group. Although the modern slavery risk of individual Third-Party Brands' operations (Tier 1 suppliers to the Best & Less Group) is relatively low, the risk escalates further down the chain due to limited visibility. The Best & Less Group continue to work with these brands directly to ensure their sourcing frameworks align to our expectations.

RISKS WITHIN OUR TRADE SUPPLY CHAIN

BUSINESS AREA	RISK PROFILE
Fabrication of materials for fit outs	<p>Moderate</p> <p>Our Tier 1 suppliers are mostly domestic suppliers however we have limited information about their greater supply chain.</p>
Labour hire companies	
Cleaning and security services	
Construction	
Transport and logistics	
Electronic goods	
Offshore call centre	
Media and marketing services	

There has been no material change to the risk profile of our Trade suppliers.

Our Tier 1 Trade suppliers based in Australia or New Zealand have lower assessed risk due to compliance with local laws and regular engagement with Best & Less Group, however we recognise that some of the more vulnerable groups, such as migrant workers, are at a higher risk of labour rights issues such as excessive hours.

In Australia and New Zealand, Tier 2 and Tier 3 Trade suppliers associated with landlords, such as construction, cleaning, and security services, may pose modern slavery risks, but our influence is limited due to the control and information imbalance between landlords and tenants.

The international freight sector presents a similar imbalance, although our freight forwarders have a comprehensive Human Rights Compliance Program. This is a risk-based program, focused on goals that are designed to eliminate human trafficking and achieve compliance with the United Nations Guiding Principles on Business and Human Rights.

ACTIONS TAKEN TO MITIGATE MODERN SLAVERY RISKS

Over this reporting period, the Best & Less Group has continued to build on and improve our policies and actions to assess and address modern slavery risks in our operations and supply chains. Our approach is guided by our commitment to ethical sourcing and the protection of human rights, as outlined in our various policies and procedures.

POLICIES AND PROCEDURES

The Best & Less Group has a robust framework of policies that support our day-to-day operations and ensure the respect and safeguarding of universally recognised human rights. Policies which support our Ethical Sourcing Program include:

- Employee Code of Conduct
- Ethical Sourcing Code
- Whistle-blower Policy
- Equal Employment Opportunity Statement
- Employee Assistance Program
- Anti-bribery and Corruption Policy
- Child and Forced Labour Remediation Policy.

The Best & Less Group is dedicated to adhering to the laws and regulations of the countries where our business is present. Our policies strictly forbid any engagement in activities related to modern slavery, and we are steadfast in ensuring safe and healthy working conditions for all workers. This includes upholding the right to freedom of association and collective bargaining. We have and will continue to conduct regular reviews to policies and procedures to make necessary changes and strive for best practices.

PRODUCT LIFECYCLE MANAGEMENT (PLM) SYSTEM

We continue to update our Product Lifecycle system (PLM) to enable us to track more information and offer greater transparency in our Own Brand Merchandise suppliers.

To enhance visibility into our production processes, we have added the requirement for approved factories to be documented at the initial sampling stage. This information is subsequently entered into our PLM system, allowing third-party inspectors to verify that the specified production has occurred in the approved factory that was declared.

This system continues to boost our ability to track supplier information, audit results, corrective action plans, and audit expiry dates. It provides greater transparency and ensures compliance with our ethical sourcing requirements.

FACTORY MANAGEMENT

We have implemented stricter controls on factory approvals and removals. We request that suppliers propose new factories exclusively within our semi-annual tender window. This enables us to closely monitor factory numbers and ensure effective management within the business while evaluating the need for any additional factories. At the same time, factories we no longer have production with are removed from our approved factory list.

In addition, factories must now present a new passed audit report within a month of the expiration date. If they fail to do so, they will be removed from our factory list, and no production will be allowed in that factory.

We also have a Chinese/Australian employee based in Shanghai, China, who manages our factory audit program, visits factories as needed, accompanies buyers on trips, and handles communications with our suppliers and factories.

ONBOARDING NEW SUPPLIERS

We take pride in our long-standing relationships with many of our Own Brand Merchandise suppliers and acknowledge the significant contributions made by them and their teams to our success. These robust relationships are founded on our onboarding processes, which have been established since 2014.

Our rigorous supplier screening and onboarding process continues to be the gateway for our modern slavery risk management. The process to assess potential suppliers' suitability includes:

- **Application and Screening:** Suppliers interested in working with the Best & Less Group are required to submit detailed applications via a tender process. The procurement team carefully reviews each application, considering factors such as the supplier's capabilities, capacity, and track record.
- **Documentation Review:** Once the initial screening is complete, the team thoroughly examines the supplier's documentation, including business licenses, certifications, and compliance records. This step ensures that potential suppliers meet legal and regulatory requirements.
- **Onsite Audits:** An on-site audit is then conducted by one of our third-party audit partners, QIMA, BSCI and SMETA, who undertake a comprehensive assessment of suppliers' operations, labour practices, and adherence to human rights standards. Trained auditors evaluate factors such as working conditions, wages, working hours, and occupational health and safety.
- **Review of NGO approved factory lists:** This year, we introduced further screening to our onboarding and on-going risk assessment process and decided that factories in Bangladesh and Pakistan must not only have an approved BSCI, SEDEX, or QIMA audit, we also ensure they are not highlighted as non-compliant in published NGO's factory lists. For example, in April, we removed two factories from our list due to non-compliance with our standards. These factories had passed other audits oriented to ethical issues but did not meet the detailed structural and fire compliance standards.
- **Human Rights Due Diligence:** As part of the onboarding process, the Best & Less Group also conducts a thorough human rights due diligence assessment. This assessment evaluates suppliers' commitment to human rights, including the prohibition of forced labour, child labour, discrimination, and fair wages. Once on-boarded, a continuous monitoring program is put in place to ensure compliance with the Best & Less Group's Ethical Sourcing Code

Working with the supplier ensures an enhanced and trusted relationship is established. This results in long-term supplier relationship where accountability and transparency can be fostered.

DIRECT SUPPLIER ENGAGEMENT

Our engagement with suppliers is ongoing, with regular meetings and discussions to address any issues and ensure compliance with our Ethical Sourcing Code. Key activities include:

- **Contract and tender cycles** to discuss business plans, sustainability programs, and workers' rights programs.
- **Factory visits** to provide supplier training and address issues on-site. In the past year our buyers and production manager have visited over 50 factories across China, Bangladesh and India. This is a significant increase on prior years as the impacts of limited travel from COVID-19 have diminished.
- **Monitoring and managing factory numbers** to ensure compliance and the need for new factories.



THIRD-PARTY SUPPLIER AUDIT PROGRAM

All Tier 1 Own Brand merchandise suppliers undergo biennial audits to ensure our suppliers comply with our ethical sourcing standards. These audits have revealed areas of improvement and instances of non-compliance, which we have addressed through corrective action plans.

This year, we conducted 184 factory audits (last year 85) across 5 countries. Our 56 QIMA audits had an average score of 8.7/10, well above the industry average of 7.4/10. Other audit partners do not have the same scoring rating, but we apply consistent criteria that must be achieved to be an approved factory. All 128 from BSCI and SMETA (4 Pillar) audits achieved satisfactory or better compliance rating.

Common findings included issues with

- Waste disposal,
- Health and Safety, and
- Social Insurance.

Any issue found through our rigorous audits are provided with a Corrective Action Plan (CAP) which gives the factory 60 days to correct the issue, with some variation depending on what the issue is an agreed timeline. The CAPs are managed by our Third- party auditor and we have visibility through our PLM to ensure CAPs are implemented within the timeframe allowed.

We continue to follow up closely on any expired audits, requiring a new passed audit report to be presented within a month of the expiration date, or the factory will be removed from our list.



Common audit findings

Rank	Common Findings Name	Cumulated % of Total	# Common Findings
1	Environment - Waste Disposal	9.5%	52
2	Other	18.6%	50
3	Health and Safety - Machinery Safety	27.1%	46
4	Wages and Benefits - Social Insurance	32.7%	31
5	Working Hours - Overtime (beyond local law)	37.5%	26
6	Health and Safety - Chemical Safety	41.0%	19
7	Health and Safety - Training	44.4%	19
8	Management System - Business Ethics - Policy/ Procedure/ Monitoring/ Recording	47.9%	19
9	Management System - Environment - Policy/ Procedure/ Monitoring/ Recording	51.4%	19
10	Health and Safety - Hygiene Facilities and Housekeeping	54.7%	18

TRAINING AND AWARENESS

We provide mandatory compliance training to relevant team members on modern slavery and its risks. This training builds awareness and emphasises the importance of identifying and eliminating modern slavery in our supply chains. We also assist our suppliers in understanding our Ethical Sourcing Code and undertaking risk assessments.

WHISTLEBLOWER PROTECTION

Our Whistleblower Protection Policy ensures that concerns regarding unethical or illegal practices, including modern slavery, can be reported anonymously. We take appropriate action when issues are investigated and substantiated.

WORKER GRIEVANCE HOTLINE

We continue to regularly review our grievance mechanism to ensure it provides an effective platform for workers to voice their concerns and seek resolution.

COMMUNICATING ACTIONS

Our commitment to ethical sourcing is clearly articulated on the Best & Less and Postie websites, and our efforts to address and minimise risks in this regard are detailed in this statement.

We have made our Ethical Sourcing Code and other pertinent information available on our website, and we consistently update our Own Brand Merchandise Manufacturers Transparency List.

Moreover, we proactively communicate with stakeholders to inform them about the measures implemented to mitigate modern slavery risks.

CONTINUOUS IMPROVEMENT

We are committed to continually improving our practices to address modern slavery risks. This includes regular reviews of our policies and procedures, enhancing our PLM system, and maintaining ongoing supplier engagement and training.



HOW WE ASSESS THE EFFECTIVENESS OF ACTIONS TAKEN

The Group employs multiple internal and external mechanisms to effectively track its performance. We continuously strive to understand the effectiveness and impact of our Ethical Sourcing Strategy. These valuable insights are utilised to inform our approach to modern slavery and human rights risk management, both in the immediate and long-term.

	ACTIVITY	MEASURE	FY 2024
GOVERNANCE	Board oversight (via ARC)	Quarterly presentation	4
	Policy reviews		
RISK MANAGEMENT	Regular Risk Assessments	Annually	2 conducted
	Supplier onboarding	All new stock suppliers	12 onboarded
	Regular review of risk matrix	Quarterly	4 reviews undertaken
MONITORING	Third party audits	Audits conducted per tier; quantum of non-compliance	184; 5 (these were either corrected or delisted)
	Supplier Corrective Action plans	No. of plans in place and time to implement	119
	Site visits	Number of Site visits	59
GRIEVANCE MECHANISMS	Mechanism for grievances to be raised	Total number of issues raised and resolved	1
	Cases remediated	Number of cases remediated	
	Trend analysis	Annual assessment to identify trends	

FOCUS AREAS FOR 2025

At Best & Less, continuous improvement is a fundamental aspect of our approach to combatting modern slavery. We strive to uphold high standards and create a responsible and ethical supply chain.

Here are the key areas we are focusing on:

Modern Slavery Training

We recognise the value and importance of training out teams in this area. We will conduct refresher training across the Best & Less Group merchandise team - Buyers, Planners, and the production team of ~100 people. The training program will focus on “Responsible Sourcing” and how our purchasing behaviours can and do drive labour rights improvements across our end-to-end supply chain.

Supplier Conference

This event will provide a valuable opportunity to engage with all suppliers on the Best and Less strategy. We will focus on working closer together with our supply base to enhance ethical sourcing practices and ensure compliance with modern slavery regulations. By fostering open communication and collaboration, we aim to build stronger, more transparent relationships with our suppliers, driving mutual growth and sustainability.

New Version of the Supplier Manual

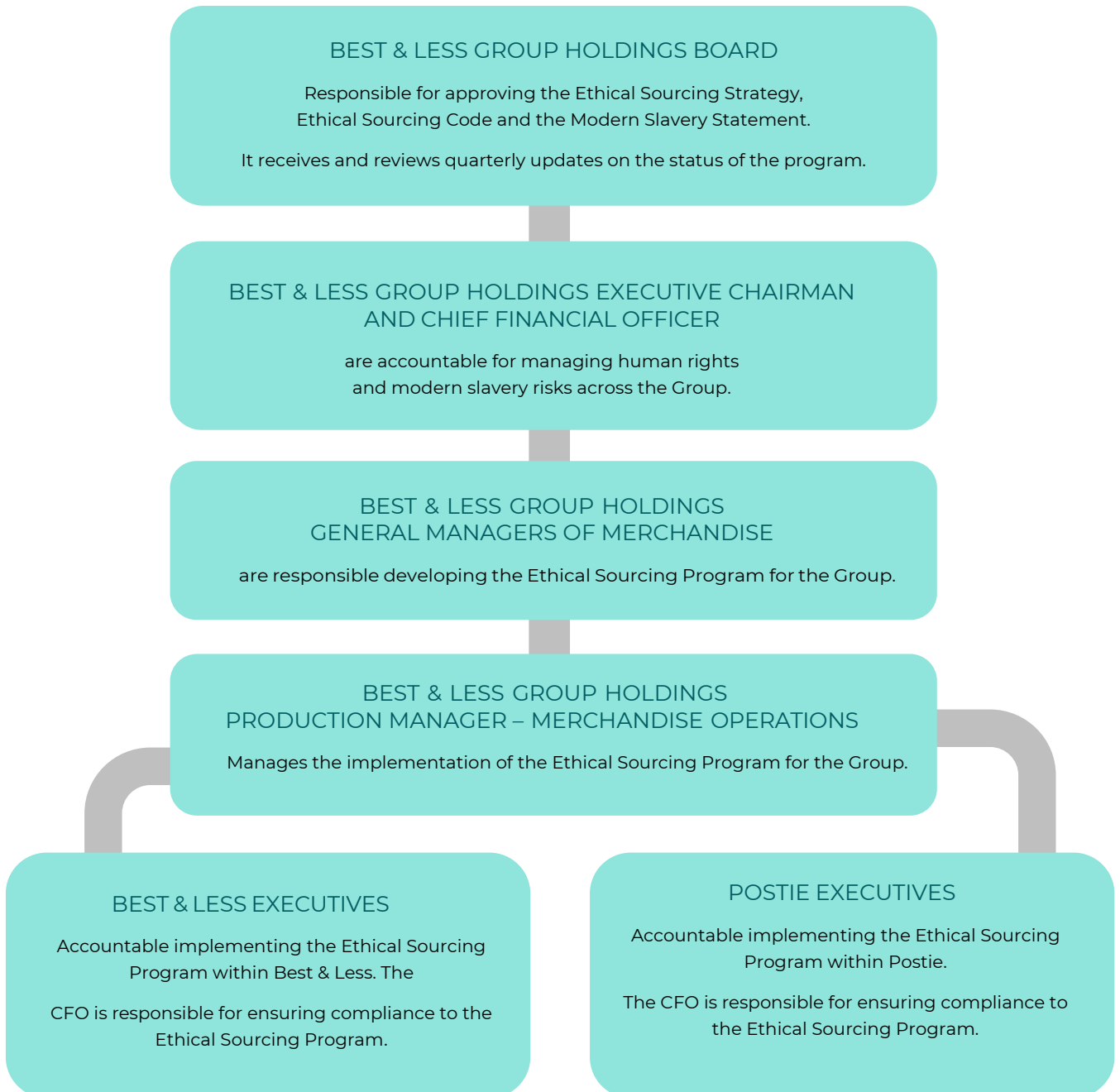
The Supplier Information Part 2 outlines the globally accepted audits for factories producing B&L products and the timeline for suppliers to add and remove factories from the list. This year we will ensure all suppliers have agreed to and signed the new supplier manual.



APPENDIX 1:

GOVERNANCE AND CONSULTATION

Governance structure



The Board has the responsibility of endorsing and approving the Ethical Sourcing Strategy and ensuring that management upholds its implementation. The Ethical Sourcing Strategy encompasses the Best & Less Group's approach to addressing the challenges posed by modern slavery within the textile and apparel sector.

On an annual basis, the Board approves each relevant Best & Less Group policy outlined in this document and assesses the progress in taking action to identify and mitigate the risks of modern slavery throughout its operations and supply chain.

The Board has assigned the CEO & CFO the duty of evaluating the Best & Less Group's performance in ethical sourcing and assessing the effectiveness of the risk management systems and processes in place for identifying and mitigating ethical sourcing risks.

CONSULTATION PROCESS

During the reporting period this statement covers, we actively engaged and consulted with all companies we own or control in the development of this statement (entity's outlined in 'About This Statement'). We discussed details of the Modern Slavery Act 2018's reporting requirements; information regarding the actions we intend to take to address these requirements and provided them with relevant materials and updates.



APPENDIX 2: GLOSSARY

Our Statement uses the Act’s definition of Modern Slavery – conduct which would constitute a criminal offence under Australian law¹ or international law including trafficking in persons² and the worst forms of child labour³. The worst forms of child labour mean extreme forms of child labour that involve the serious exploitation of children, including through enslavement or exposure to dangerous work.

Best & Less Group, BLGH, the Group	The reporting entities covered by this Statement being Best & Less Group Holdings Ltd and/ or controlled subsidiaries and managed joint venture operations that meet the definition of reporting entity under the Act. References to ‘our’ and ‘we’ in this Statement are references to the reporting entities above.
Ethical Sourcing Code (ESC)	Our ESC outlines the code of conduct and policies in relation to social, environmental and standards of compliance that we require from our business partners (suppliers) and is available on our websites: Best & Less: www.bestandless.com.au/ethical/sourcing Postie: www.postie.co.nz/ethical-sourcing
Ethical Sourcing Strategy (ESS)	Our ESS is how we measure and ensure compliance with the ESC. For example making sure all suppliers sign up to it and running biennial audits.
Own Brands and Third Party National Brands	See page 4 of this MSS.
Product Lifecycle Management system (PLM)	PLM is a software program for product development to manage design, quality approvals, compliance, costings, sourcing and supplier information. See page 12 of this MSS.
QIMA	The provider of our independent audit services to audit our supplier partners.
Merchandise manufacturers transparency list	See Best & Less website: www.bestandless.com.au/factories See Postie website: www.postie.co.nz/ethical-sourcing
Merchandise Suppliers	Suppliers of goods and services we sell to our customers. See page 5 of this MSS.
SMETA 4 Pillar Audits	A SMETA 4-pillar audit covers the Labor and Healthy & Safety standards of the 2-pillar audit, as well as Environmental Assessment and Business Ethics. This is the full SMETA audit and includes: Labor Standards, Health and Safety, Environmental Assessment (extended), Business Ethics.
Trade Suppliers	Suppliers of goods and services to the Group, other than merchandise suppliers. See page 5 of this MSS.
Tier 1 Suppliers	Those suppliers we contract directly with to supply goods and services
Tier 2 Suppliers	Those suppliers that our Tier 1 suppliers’ contract with to supply goods and services
Tier 3 Suppliers	Those suppliers that our Tier 2 suppliers’ contract with to supply goods and services

¹ An offence under Division 270 or 271 of the Criminal Code.

² Trafficking in persons as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000 ([2005] ATS 27).

³ Child Labour as defined in Article 3 of the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, done at Geneva on 17 June 1999 ([2007] ATS 38).

APPENDIX 3: INDEX

MODERN SLAVERY ACT (2018) REQUIREMENT			P	
1.0	Identify reporting entity	Name of reporting entity	3	
2.0	Describe structure, operations and supply chain	Describe Structure	Legal Classification and ACN/ABN	3
		- legal and organisational form	Provide the details of the reporting entity's registered office.	1
			Indicate the approximate number of workers employed by the entity and any entities it owns or controls	4
			Explain the general structure of the entity	3
			If the entity is part of a larger group, explain the general structure of the overall group (both upstream and downstream from the entity).	NA
			Whether it owns or controls other entities.	3
			If the entity does own or control other entities, explain what these entities do and where they are located	3
		Identify any trading names or brand names associated with the reporting entity and entities it owns or controls.	3	
	Describe Operations	Explain the nature and types of activities undertaken by the entity and any entities it owns or controls.	4	
		If the entity's activities involve investments or financial lending, explain the type and nature of the entity's investments or lending.	NA	
		Identify the countries or regions where the entity's operations are located or take place.	4	
		Provide facts and figures about the entity's operations, such as the total number of employees, factories, and/or stores.	4	
		Explain in general terms the type of arrangements the entity has with its suppliers and the way these are structured (are they often short-term and changeable or stable longer-term relationships).	4	
		Explain the types of business relationships the entity has in addition to suppliers, such as joint venture partners.	NA	

MODERN SLAVERY ACT (2018) REQUIREMENT				P
2.0		Describe supply chain	Identify the countries or regions where the entity's suppliers are located.	5
			Explain the main types of goods and services the entity procures.	4
			To the extent possible, identify the source countries for these goods and services.	5
			Link to any disclosures by the entity about the identity of their suppliers (such as a public supplier list).	20
3.0	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Caused, contributed or directly linked to	Describe risks that the entity, and entities it owns or controls, causes, contributes to and/or is directly linked to modern slavery.	6
			Should identify the general types of modern slavery risks that may be present in the operations and supply chains.	6
			Include sector/ industry risks; product and services risks; geographic risks; entity risks.	6
			Must include sufficient detail to clearly show the types of products and services in the entity's operations and supply chains that may involve risks of modern slavery.	6
4.0	Describe what actions over the past 12 months, the reporting entity, and entities it owns or controls, is taking to assess and address the risks of modern slavery	Due diligence	How the entity has identified and assessed actual and potential human rights impacts : eg Reviewed existing information such as Human Rights Impact Assessments; WH&S inspections, Social Impact Assessments Mapped key parts of your operations and supply chains Assessed the risk through risk matrix.	12
			What tools, systems, policies and personnel does the entity have in place to monitor high risk suppliers and mitigate associated risks eg supplier and employee codes of conduct, Human Rights policy, complaints mechanism available.	12
			Are these tools, systems, policies available publicly, if so where	20
			How is the entity taking appropriate action to address impacts eg staff and supplier training, incident reporting, working directly with high risk suppliers.	12
			How is the entity is tracking performance eg credible audits, using existing traceability processes.	12
			How the entity is publicly communicating what you are doing.	15
4.0		Remediation processes	What is in place for the entity to respond to complaints of modern slavery.	12
			What is the process for remediation.	12

5.0	Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks		Explain what the reporting entity is doing to check whether its actions to assess its modern slavery risks are working. How will it know whether it is appropriately identifying and evaluating its modern slavery risks?	16
			<p>Explain what the reporting entity is doing to check whether its actions to address modern slavery risks are working. How will it know if its actions are making a difference?</p> <p>Could include:</p> <ul style="list-style-type: none"> • Establishing a regular review process • Regularly checking your risk assessment processes • Setting up a process to provide for regular engagement and feedback between key departments • Conducting internal and external audits • Tracking actions you have taken and measuring impact • Working with suppliers to check their progress • Looking at trends reported through the complaint’s mechanism • Partnering with an industry group, or trusted NGO to undertake an independent review. 	16
6.0	Describe the process of consultation with any entities the reporting entity owns or controls	Not needed if no other entities owned or controlled	The level of consultation you undertake should reflect your relationship with the other entity and the risk profile of that entity. Your consultation should be sufficient to ensure that the modern slavery risks relating to the other entity have been appropriately identified, assessed and addressed and that other entity is aware of what actions they need to take.	19
7.0	Any other relevant information	Only if relevant	<p>May include:</p> <ul style="list-style-type: none"> • How the reporting entity has supported the development of legislation on modern slavery in another country • Whether the reporting entity has participated in external forums on modern slavery to help improve awareness • How the reporting entity has partnered with a civil society organisation or industry body 	
	Approved by principal governing body		The statement must say that it has been approved by the principal governing body for the reporting entity; name that governing body; and specify the date that governing body approved the statement.	3
	Signed by a responsible member of the reporting body		Usually a Director or the Board.	2

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