



**PREMIER  
INVESTMENTS  
LIMITED**

A.C.N. 006 727 966

# MODERN SLAVERY STATEMENT

---

## 2021





# Premier has a zero tolerance to modern slavery in all its forms.

---

'Modern slavery' is a term used to describe certain offences and other prohibited conduct, including forced labour, child labour, slavery, people trafficking, deceptive labour recruitment practices, forced marriage and debt bondage.

Premier Investments Limited (**Premier**) understands the critical role it plays in helping to reduce the incidence of modern slavery, and has zero tolerance to modern slavery in all forms, including forced labour, child labour and non-compliance with worker legal rights. In addition to Premier's long-standing Ethical Sourcing Code of Conduct, Premier has, in its annual report, reported publicly on ethical sourcing issues in its supply chain since 2014. Over the last 12 months Premier has undertaken significant further steps to identify and address modern slavery risks in our supply chain to ensure our policies and practices adhere to the modern slavery legislation.

Premier is pleased to present this first Modern Slavery Statement.

This document outlines Premier's Modern Slavery Statement. The statement has been prepared in accordance with sections 14 and 16 of the Modern Slavery Act 2018 (Cth).

This Modern Slavery Statement jointly covers all reporting entities in the Premier Group.

The statement outlines the steps Premier took in the 12 months to 25 July 2020 (**reporting period**) to ensure it, and each of its subsidiaries, assessed and addressed modern slavery risks across its entire supply chain. This includes due diligence and remediation processes.

# An Overview of Premier's Ethical Sourcing Work Program

| TIMING         | OBJECTIVE                           | OUTCOME   |
|----------------|-------------------------------------|---|
| <b>TO DATE</b> | Review and Refine Current Practices | <ul style="list-style-type: none"> <li>Identify risks and create a supplier and country risk assessment framework for product sourcing</li> <li>Research and assess raw material strategies to address modern slavery risk</li> <li>Substantial increase of direct sourcing through finished goods (Tier 1) suppliers to better manage risk</li> <li>Update internal team ethical sourcing training</li> <li>Update sourcing and supplier onboarding policies and procedures</li> <li>Develop enhanced production monitoring tools to address modern slavery risks in a COVID-19 context</li> <li>Suppliers are now subject to updated terms and conditions incorporating modern slavery clauses</li> </ul> |
| <b>2021</b>    | Monitor and Enforce                 | <ul style="list-style-type: none"> <li>Fully engage with product supply partners</li> <li>Set clear KPIs and targets</li> <li>Continue internal team ethical sourcing training and roll out supplier training</li> <li>Continue advocacy partnership with Baptist World Aid's Ethical Fashion Report</li> <li>Increase real time and retrospective monitoring of production thus reducing the risk of subcontracting</li> <li>Join the Better Cotton Initiative to reduce modern slavery risk in Tier 3 supply</li> <li>Review and improve risk management tools</li> <li>Consolidate and invest further in our own Bangladesh office</li> </ul>  |
| <b>2022 +</b>  | Review, Evolve and Assure           | <ul style="list-style-type: none"> <li>Review performance and enhance modern slavery program</li> <li>Increased focus on fabrics and trims (Tier 2) and raw materials (Tier 3) suppliers in the supply chain</li> <li>Explore more direct means of engaging with workers</li> </ul>   |

# Company Structure, Operations & Supply Chains



Premier is a public company listed on the Australian Securities Exchange (ASX:PMV).

Premier's head office is located in Melbourne, Australia.

Premier, through its 100% ownership of Just Group Limited (**Just Group**), operates a number of specialty retail brands in Australia, New Zealand, Asia and Europe.

Our portfolio of well-recognised retail brands comprises:

## peteralexander

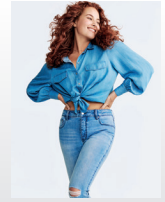
Peter Alexander is a lifestyle brand offering luxurious designer sleepwear, loungewear, homewear, footwear and gifts for women, men and kids.

Available online and in 140 stores across Australia and New Zealand.



Just Jeans offers on trend denim and casual wear for women, men and kids.

Available online and in 242 stores across Australia and New Zealand.



## Smiggle®

Smiggle is the destination for school and leisure essentials. From backpacks to pencil cases, Smiggle is the original creator of all things colourful, fun and unique.

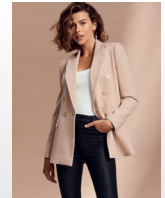
Available online and in 342 stores globally across Australia, New Zealand, Singapore, Malaysia, Ireland and the United Kingdom.



## portmans

Portmans is the fashion destination for 25-30 year old women taking on the world. For up-to-the-minute looks that are fast, fresh and ever-evolving.

Available online and across 96 stores in Australia and New Zealand.



## dotti.

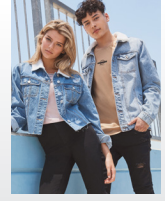
Dotti embraces all the latest fashion trends and styles for 16-24 year old women. Offering a range of styles that include casual, denim, special occasion and accessories.

Available online and in 111 stores across Australia and New Zealand.



Jay Jays is inspired by youth culture, street wear, fashion trends, and a care free lifestyle. On trend styles include denim, print tees and tanks, shorts, jackets, exclusive licensed product, accessories.

Available online and in 205 stores across Australia and New Zealand.



## JACQUI·E

Jacqui E offers smart workwear and versatile casuals to the perfect piece for that special occasion. With an emphasis on flattering styles, quality fabrics and exceptional tailoring.

Available online and in 96 stores across Australia and New Zealand.





# Company Structure, Operations & Supply Chains

During the reporting period, Premier's 7 brands traded from more than

**1,200** stores across 7 countries, as well as online through a number of proprietary and third party websites.



Together, Premier and the Just Group employed over

**9,000** people during the reporting period. During the reporting period, our team members were located in Australia, New Zealand, the United Kingdom, the Republic of Ireland, Singapore, Malaysia, Hong Kong and Bangladesh.



Because it owns multiple brands and has international operations, Premier owns and controls a number of subsidiary entities.



Premier owns a warehouse in Melbourne from which products are distributed to Just Group retail stores around Australia, and to customers transacting with the Just Group through its online stores.



The Just Group also operates an additional warehouse in Auckland to service its New Zealand business and websites.

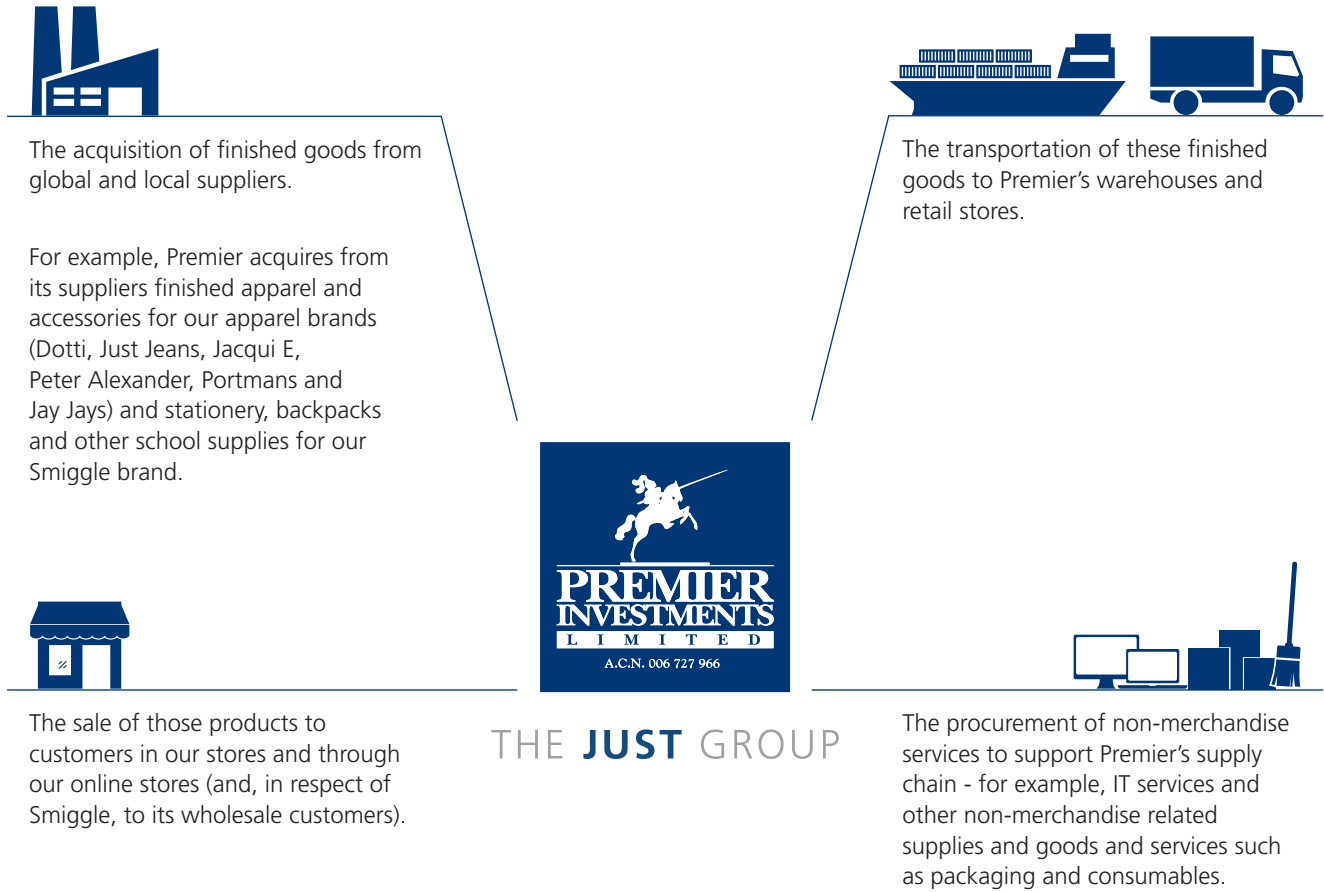


In the reporting period, the Smiggle brand utilised third party logistics providers in Singapore and Hong Kong to service its Asian stores and online business and in the United Kingdom to service its European stores and online businesses.



# Company Structure, Operations & Supply Chains

Premier's supply chain includes:



The vast majority of Premier's product suppliers (over 85%) are located in China. However, the Just Group also operates an office in Bangladesh from which some apparel for Just Jeans, Dotti and Jay Jays is sourced. In addition, Premier sources products in Australia, India, Pakistan, Turkey and Vietnam.





# Risks of Modern Slavery in Premier's Operations & Supply Chains

This section describes the risks of modern slavery practices in the operations and supply chains of Premier and other reporting entities within the Premier Group, as well as within the entities that Premier owns or controls.

## PREMIER'S OWN OPERATIONS

The risks of modern slavery practices within Premier's own operations remains low. This is because over 90% of Premier's workforce are subject to collective agreements, with the balance employed on individually negotiated employment agreements. Premier recognises the right of workers to collectively bargain and be represented.

## PREMIER'S SUPPLY CHAINS

### THIRD-PARTY PRODUCT SUPPLIERS

Premier does not own or directly operate any of the factories from which it sources finished goods.

Our brands engage with third parties to manufacture goods for sale in our retail and online stores. These third party manufacturers are carefully sourced and provide employment to thousands of local workers in countries such as China, Bangladesh, India, Pakistan, Turkey and Vietnam.

When selecting a third party to manufacture goods, Premier takes into account compliance in relation to key factors including working conditions, wages and labour practices. Prior to any new supplier registration and any orders being placed, a senior executive of the Just Group must visit that factory and sign off that it fully complies with all matters covered by Premier's Ethical Sourcing Code of Conduct.

Premier expects third parties to share its values and the importance it places on ethical practices and requires all suppliers to sign off on Premier's terms and conditions which address modern slavery risks. Premier only approves third-party manufacturers to supply to Premier if they have passed an independent audit conducted in the past 12 months. Full details of Premier's monitoring and actions to ensure compliance are set out in the 'Actions Taken to Assess and Address Modern Slavery Risks' section below.

As noted above, Premier also includes several express terms in its supply agreements which are intended to address and prohibit modern slavery practices. These audit and supply term arrangements are described further below.

Premier, like most apparel retailers and brands globally, typically works with third parties in the manufacture of its products.

The modern slavery risks across an international supply chain can arise in the following ways:

- the potential for forced labour within third-party manufacturers, or in a country that has a high prevalence of labour rights violations;

- delivery timeframes might cause manufacturer workers to be required to work excessive overtime or encourage poor labour hire practices;
- in breach of the express terms of Premier's supply agreements, suppliers might subcontract orders to third parties that might engage in modern slavery practices;
- raw materials for production (for example, cotton) might be sourced from farms that engage in poor labour practices; and
- the impact of COVID-19 on international supply chains may lead to disruption or create other circumstances which increase the risk of suppliers adopting, encouraging or allowing modern slavery practices. More information about this risk is set out below.

Further, some countries from which Premier sources products or other services might have higher risks of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty.

### THIRD-PARTY LABOUR SUPPLIERS

In certain circumstances, such as peak trading periods, Premier will engage third-party labour suppliers to support increased labour requirements at its distribution centres. Because there is no direct employment relationship between Premier and the labour hire staff, this creates additional modern slavery risk.



# Covid-19 Impacts

---

## OUR RESPONSE

The onset of the COVID-19 pandemic in early 2020 created an extremely challenging operating environment in the second half of the reporting period.

During this global pandemic, Premier's absolute priority was, and continues to be, the safety and wellbeing of our teams, our customers, and the broader community in each of the regions in which we operate.

The devastating global impact of the COVID-19 health crisis resulted in the very difficult decision to temporarily shut down the Group's global operations on 26 March 2020 and stand down over 9,000 employees. At the time there was no certainty of when the Group would be able to reopen its retail stores, and there was no government wage subsidy scheme in existence in Australia.

The COVID-19 pandemic led to unprecedented supply chain disruption. The extraordinary steps taken by national governments, and the attendant effect on non-essential retail services, included the closure of Premier stores for extended periods across all markets.

Additional challenges included staff availability, factories being unable to complete orders previously placed and orders being unable to be physically distributed when expected. The disruption also included whole countries being locked down for extended periods and therefore not allowing the flow of goods in or out.

Further, the COVID-19 restrictions on movement impacted Premier's buying teams from conducting in-person inspections. However this effect was mitigated by our team's on the ground presence in Bangladesh, where factory audits and inspections of production continued throughout the COVID-19 pandemic. In China, our adoption of virtual factory inspections to verify audit reports where physical inspections by our own teams were affected by international border closures were very effective at ensuring our ethical sourcing standards were maintained.

Premier will continue to utilise tools such as on-the-ground independent production audits and virtual factory inspections to ensure ongoing compliance with Premier's ethical sourcing program. Pleasingly, independent audit programs have resumed towards the end of, and following, the reporting period.

Dealing with the impact of these challenges meant balancing both what was needed to operate our ongoing business as well as the fundamental interests of our suppliers and the workers in our supply chain. We have received strong support from our suppliers during this difficult period.



# Actions Taken to Assess and Address Modern Slavery Risks

During the reporting period, Premier and its subsidiaries have invested in a number of initiatives to assess and address the modern slavery risks identified in its supply chain. Some initiatives were delayed until after the reporting period, due to Premier's focus on the safety of its team members, customers and broader community during the COVID-19 pandemic. Key initiatives include:

## RISK ANALYSIS AND DUE DILIGENCE

Premier completed a risk-based analysis of all product supply-chain activities, which included ranking modern slavery supply-chain risk according to a number of factors such as supplier country of origin, supply chain channel (eg. direct relationship vs agency relationship) and supply chain tier ie. finished products (Tier 1 suppliers) fabrics and trims (Tier 2 suppliers) and raw materials procurement (Tier 3 suppliers).

Based on that risk assessment, suppliers have been classified according to a risk ranking, which in turn triggers detailed requirements for both supplier on-boarding prior to any order placement, and ongoing monitoring once suppliers are accepted for order placement. Premier will continue to develop its risk analysis tools in future reporting periods, for example taking into account changing geo-political, country risk and market factors.

## NEW SUPPLIER CONTRACTS

Following the introduction of modern slavery legislation in Australia, Premier has taken the opportunity to further strengthen its supplier terms and conditions of trade to specifically address modern slavery risk.

Premier has also re-launched its Ethical Sourcing Code of Conduct, which all suppliers must adhere to throughout their relationship with our company. The full roll out of these revised documents was impacted by COVID-19, but is now substantially complete.

Premier's contracts and policies support our commitment to sourcing merchandise that is produced according to our strict ethical sourcing principles. All suppliers must sign our supply terms and conditions to do business with our company.

Among other things, we note that our supply terms and the Ethical Sourcing Code of Conduct:

- requires all suppliers to declare an absence of modern slavery practices in their supply chain – this includes a prohibition on forced labour (including child labour)
- requires compliance with all applicable laws (and/or requires our suppliers to meet higher standards than that prescribed by the law)
- prohibits unauthorised sub-contracting – which in turn allows us to ensure that we have a fully transparent relationship with our suppliers
- insists on the free association of workers, including the right to collectively bargain and be represented
- requires labour to be voluntary, without workers being required to lodge deposits (eg. identity documents or recruitment fees etc.)

- insists on worker rights such as the right to work in safe, hygienic premises where working hours are not excessive
- requires the payment of at least the minimum national legal wage
- prohibits discrimination on the basis of personal attributes as well as union membership or political affiliations
- implements a series of measures including financial penalties, remediation and an absolute right to cease doing business with any supplier that breaches our supply terms

## AUDIT/MONITORING

A fundamental tool used in both the initial approval of a supplier and the ongoing monitoring of all suppliers are independent audits conducted by globally recognised firms specialising in social compliance and worker safety and welfare.

The initial approval of new suppliers to Premier requires the completion of a detailed workplace conditions assessment report on risk areas, including modern slavery risks such as forced labour, wages, hours, health & safety, together with other risk areas including management systems, production capacity and the environment.

These audits are conducted by firms such as Intertek, Bureau Veritas and SGS. In all cases, Premier requires suppliers to be audited every 12 months.

In order to ensure that all suppliers continue to only manufacture in both fully audited and Just Group approved factories, Premier engaged in a number of ongoing monitoring activities. For example, conducting factory visits by members of the Just Group buying teams, and in-line inspections of final production.

Premier has also developed a production audit program, which will enable even greater transparency and monitoring of production.

These measures act as a vital tool in helping to ensure only suppliers that have passed our rigorous standards are used.

## DIRECT SOURCING

While the vast majority of Premier's sourcing relationships in China were direct, during the reporting period Premier ceased sourcing through its largest external sourcing agent.

This further increased the overall percentage of sourcing through direct supplier relationships. This direct arrangement enables Premier to work more closely with suppliers and to therefore manage risks more reliably and efficiently.

# Actions Taken to Assess and Address Modern Slavery Risks continued...

## BANGLADESH

In Bangladesh, we opened our own office in 2014 where we employ over 22 employees directly, including specialist merchandisers and quality and compliance roles to support sourcing of finished goods for our Just Jeans, Jay Jays and Dotti brands.

Our continued investment in on the ground infrastructure in Bangladesh supports our audit and compliance activities in that region — with a particular focus on social compliance and safety. To reiterate, every supplier in Bangladesh is audited, and every order has an inline and final inspection to guarantee both quality and compliance to our Ethical Sourcing Code.

Further, our commitment to this region contributes to Bangladesh's economic and social development. In particular, the garment industry comprises around 80% of all of Bangladesh's export earnings, is a significant contributor to GDP and employs over 4 million workers, most of whom are women.

## BANGLADESH ACCORD

Premier continued to work with the Accord on Fire and Building Safety in Bangladesh, and has extended its membership to 2021. Prior to joining the Accord, Premier was a member of the Alliance for Bangladesh Worker Safety between 2013 and 2018.

The Accord, and the Alliance before it, share common priorities including a relentless focus on workers generally, as well as building integrity and safety – all supported by financial commitments and good governance. Together with our international peers in Bangladesh, we have invested in worker safety, improved conditions and engaged in transparent reporting in a results-oriented, measurable and verifiable way. All initiatives of the Accord are publicly available at <http://bangladeshaccord.org/>.

## ADVOCACY

Premier worked with Baptist World Aid Australia (**BWA**) Ethical Fashion Report 2019, which has focussed on what steps the fashion industry as a whole, together with individual companies, are taking to address compliance issues such as forced labour, child labour and exploitation generally, as well as other modern slavery practices.

We have engaged with the BWA's work program since 2016. The work and approach of the BWA recognises the complexity of the supply chain issues and the tools needed to resolve them and we have been impressed with industry-wide learnings and improvements. While the BWA's Ethical Fashion Report was paused in 2020 due to COVID-19, we are looking forward to continuing our work with the BWA in 2021.

## RAW MATERIAL TRANSPARENCY

During the reporting period, Premier's Peter Alexander brand introduced a range of organic cotton and dyes certified as 100% organic according to the Global Organic Textile Standard (**GOTS**).

The aim of the GOTS is to ensure organic status – from harvesting of the raw materials, through to environmentally and socially responsible manufacturing.

In addition to the GOTS initiative conducted by Peter Alexander described above, Premier was to announce during the reporting period that Just Jeans, the group's largest apparel brand, had joined the Better Cotton Initiative. The full implementation of this initiative was delayed due to production lead times shifting as a result of COVID-19.

We are however pleased to report that since 1 January 2021 Just Jeans is a member of the Better Cotton Initiative. We look forward to providing more information about Just Jeans' membership of the Better Cotton Initiative and our programs to support this initiative in our next modern slavery statement.

## TEAM TRAINING

Premier conducted ethical sourcing training for its Australian-based buying teams to assist them in mitigating the risks of modern slavery. Due to the impact of COVID-19, all training will be completed by April 2021.

## SUPPLIER TRAINING

Premier put in place a program to conduct supplier training to assist suppliers mitigate the risks of modern slavery occurring in their supply chains. The roll out of this program was delayed due to the impact of COVID-19 and will commence in the next reporting period.

## TEAM CONDUCT

Premier updated its team member Code of Conduct to address modern slavery risks. The roll out of this document took place in February 2021.

## WHISTLEBLOWER POLICY

Premier released its Whistleblower Policy in December 2019, a key tool in its corporate governance framework to encourage transparency and accountability.

Contraventions of certain Commonwealth laws, including crimes which constitute modern slavery offences, are reportable under the Whistleblower Policy.

## INDIRECT SUPPLIERS

Additional measures to mitigate modern slavery risks in relation to Premier's non-merchandise suppliers were impacted by COVID-19, but an update will be provided in future modern slavery statements.



# How the Effectiveness of Those Actions are Assessed

By way of introduction, Premier has taken a whole of Company approach to ensuring modern slavery risks are both measured and controlled. This work program has been lead by our General Manager of Sourcing, working in close partnership with our Board, Chief Executive Officer, Executive Team and, at a brand level, our merchandising teams.

The actions taken to assess and address modern slavery risks must be measured to assess their effectiveness. Premier's primary tool for assessing the effectiveness of its actions is through its audit and review process.

The steps taken to assess the effectiveness of actions taken by Premier involves:

## LONG-TERM RELATIONSHIPS

➔ Preferencing long term partnerships with our suppliers rather than ad-hoc or transactional relationships. 75% of Premier's turnover is derived from products sourced from vendors who have supplied to our group for more than five years.

Our investment in long term partnership ensures we know who we are dealing with at every step of the process and have a deep understanding of how those entities and the persons within those entities operate.

## REVIEW

➔ Regularly reviewing and updating each supplier's risk rating to determine whether additional audit activity is required.

A supplier is assessed every 12 months against a risk matrix and a supplier performance scorecard. Any breaches in relation to our Ethical Sourcing Code of Conduct may mean we either exit the supplier or increase the level of monitoring of that supplier.

## IN-PERSON MONITORING

➔ Our buyers visit suppliers directly. Where this can't occur (for example due to COVID-19 impacting free travel across international borders) we are able to use technological tools to achieve the same outcome.

Our investment in on the ground infrastructure in Bangladesh ensures that our activities in that region are closely monitored.

Our Smiggle brand also employs staff on the ground in China to ensure close supervision of suppliers.

## ENGAGING WITH STAKEHOLDERS

➔ As described above, we continue to work with our international peers as members of the Bangladesh Accord.

## ANNUAL AUDITS OF SUPPLIERS

➔ Suppliers can only continue to supply Premier's brands if they have passed an independent third party audit completed in the past 12 months. Premier only accepts audits from internationally accredited audit companies including SGS, Intertek and Bureau Veritas.

Furthermore, no new suppliers will be added without the above third party audits being completed, as well as a factory visit by a senior Just Group representative.

# Process of Consultation with any Owned or Controlled Entities

---

The boards of Premier's operating subsidiaries, including the various Just Group operating entities, have been consulted in relation to the preparation of this modern slavery statement. This includes ongoing engagement between the entities operating each of the Just Group brands and briefing board members.

This statement is issued jointly on behalf of all reporting entities in the Premier Group. The contents of this statement is approved by the Board of Premier, which is in a position to influence or control each of its subsidiaries and the reporting entities within the Premier Group covered by this statement.

## Our Commitment

---

Premier condemns all forms of modern slavery practices. Premier will continue to report, on an annual basis, the steps taken to assess and address modern slavery risks in its entire supply chain and looks forward to sharing those developments in its next statement.



Mark McInnes  
Chief Executive Officer  
Premier Investments Limited  
22nd March 2021





dotti.



JACQUIE

*peteralexander*

portmans



smiggle®