

MODERN SLAVERY STATEMENT

This modern slavery statement (**Statement**) is made pursuant to the *Modern Slavery Act 2018* (Cth) (**Act**) by PAS Group International Pty Ltd ACN 645 134 247 and its wholly owned subsidiaries, Designworks International Pty Ltd ACN 644 545 193 and Yarra Trail International Pty Ltd ACN 644 546 449 (**PAS Group**) and relates to the financial year 1 July 2019 to 30 June 2020 (**Financial Year**).

ABOUT OUR BUSINESS

PAS Group Operations

PAS Group was established in 2004 and has been a leading Australian multi-category supplier of generic, licensed and branded product including children and adult formal and informal apparel and sporting apparel and equipment, both in retail and as a wholesaler as well as a manufacturer since its establishment. PAS Group consists of four divisions and over 15 brands. PAS Group also creates private brands for major Australian retailers and manufactures apparel under a variety of brands and licenses.

PAS Group has approximately 950 employees in a range of roles across the business including in its Melbourne head office, wholesale arm, retail division and warehousing across Australia. PAS Group has a small number of employees located in PAS Group's China office.

PAS Group's Policy and Principles

PAS Group is strongly opposed to any form of modern slavery and is dedicated to eliminating all forms of modern slavery from within its business and supply chain.

PAS Group recognises that it plays a role in the global effort to eradicate modern slavery. For a copy of our Ethical Sourcing code and policies click [here](#).

PAS Group's Operations

PAS Group does not view there to be any substantive risk of modern slavery in its direct business operations.

This includes PAS Group's Australian operations including its head office operations and its retail stores.

PAS Group has comprehensive HR policies to ensure we comply with industrial relations laws, employment entitlements and awards both within Australia and PAS Group offices and facilities outside of Australia.

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PAS Group's Supply Chain

The goods we supply to our customers are produced in third party supplier factories. These factories are not owned or operated by PAS Group. PAS Group has over 50 registered supplier factories contracted to produce goods for or on behalf of PAS Group. Our primary supplier factories are mainly located in China, and a small number are located in other Asian countries such as Bangladesh and India.

PAS Group recognises that all supply chains carry the risks of modern slavery. This ranges from manufacturing to material sourcing and harvesting of raw materials such as cotton.

PAS Group's primary sourcing suppliers in China and Bangladesh present a moderate risk of modern slavery.

PAS Group's Risk Management and Due Diligence Processes

The need to manage the modern slavery risk in PAS Group's supply chain is a key consideration in how PAS Group operates and PAS Group is committed to conducting its business in a moral and ethical way and recognises the need to establish and maintain corporate governance practices which reflect and comply with the legal and regulatory frameworks.

PAS Group only works with companies who are committed to complying with all applicable laws and have implemented the relevant company policies designed to tackle the risk of slavery in its business and supply chain management. In addition to PAS Group's diligence into companies, sourcing suppliers and supplier factories, we have established a dedicated ethical sourcing program to address the risks of modern slavery and ensure that minimum standards such as minimum wages and working conditions are met. Key elements of the program include:

1. a robust monitoring and auditing program (conducted by third party auditors);
2. a corrective action process to deal with and close out noncompliance cases;
3. annual supplier reviews;
4. a dedicated ethical sourcing and compliance team based in Australia and China work hand in hand with our suppliers and factories;
5. a strict and thorough onboarding process for all new suppliers and partners to ensure our ethical sourcing policies are understood, actioned and adhered to; and
6. unannounced audits of our factory base to ensure ethical sourcing compliance.

Given the combination of the diligence in the companies, sourcing suppliers and supplier factories, the contractor's commitment to eradicating modern slavery in its operations and supply chain, PAS Group considers the risk of modern slavery within its business operations to be low.

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However, PAS Group recognises that despite its best efforts, PAS Group, through its supply chain, can be indirectly exposed to the risk of modern slavery.

Therefore, PAS Group has implemented risk management processes to identify, assess, mitigate and monitor potential risk areas where it could be exposed to modern slavery concerns. This includes:

1. due diligence and ongoing monitoring with respect to consultants, advisors, contractors, sub-contractors, suppliers and other service providers providing goods or services to PAS Group; and
2. staff, supplier and contractor training (see 'Training and Communication' below).

In the Financial Year, PAS Group did not identify any instances of modern slavery associated with its operations.

Training and Communication

PAS Group provides training and support to all employees and contractors (not limited to management who are responsible for contract management) in order to raise awareness of modern slavery in the supply chain and reduce the modern slavery risk to PAS Group.

PAS Group's recruitment processes are managed by an Australian based external HR firm, and all employees and contractors are inducted under a formal induction program which reflects PAS Group's commitment to promoting the highest standards of ethical behavior and social responsibility to ensure that its business and relationships are based on integrity.

The formal induction program includes awareness training in respect of applicable HR policies, which include:

- code of business conduct and ethics;
- grievances and whistleblowing policy; and
- training standard for health and safety at the workplace.

These policies include, among other things:

- guides the behavior of all employees and contractors by clearly stating the business' commitment to behaving honestly and fairly;
- encourages all employees and contractors to submit feedback directly or indirectly through their representatives, as well as anonymously; and
- ensures that all employees and contractors are safe and properly and sufficiently trained.

PAS Group is committed to the highest ethical standards and will continue to review the effectiveness of its policies, procedures and training in order to eradicate slavery, human trafficking, forced or child labour or child exploitation in its business.

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Whistleblower Policy

To further mitigate any risk, PAS Group has a whistleblower protection policy which promotes honest and ethical behaviour by providing a framework for the escalation of reportable conduct. This whistleblower protection policy applies to employees, suppliers and contractors of PAS Group, including third party vendors and goods and service providers. A disclosure may be made in accordance with the whistleblower protection policy.

Assessing Effectiveness

PAS Group is dedicated to improving the knowledge of our supply base, and educating our suppliers in key areas of ethical risks, gender equality, and modern slavery. Due diligence processes have been set to assess and constantly improve our processes and reduce the modern slavery risk to PAS Group. This includes (but not limited to):

1. annual review our approach to modern slavery;
2. examination and update to our risk assessment process;
3. investigate reported breaches and make improvements as an outcome of our auditing process;
and
4. conduct regular audits to ensure suppliers are compliant with our code of conduct.

PAS Group is committed to an ethical and responsible approach to our business. We actively seek to improving the lives of the workers within their supply chain. Some of our future planned activities include:

1. focusing on continuing to build strong relationships and trust with suppliers, leading to greater transparency;
2. refining our database and training schedules; and
3. continuing to promote our robust whistleblower mechanisms.

This statement was approved by the Boards of PAS Group International Pty Ltd ACN 645 134 247, Designworks International Pty Ltd ACN 644 545 193 and Yarra Trail International Pty Ltd ACN 644 546 449.

Signed,



Eric Morris
CEO

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