

2022

Modern
Slavery
Statement



HANES *Brands*
A U S T R A L A S I A

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Acknowledgment of Country

Hanes Australasia acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of Country and recognises their continuing connection to land, waters and culture.

We pay our respects to Elders past, present and to emerging leaders.

About this statement

The Australian Modern Slavery Act 2018 (Cth) aims to support the Australian business community to identify and address their modern slavery risks and maintain responsible and transparent supply chains through the publication of an annual Modern Slavery Statement ("Statement"). The Statement increases transparency to consumers, investors and business partners, allowing them to make better and more informed decisions about the products they buy and the companies they support.

HBI Holdings Australasia Pty Ltd (ABN: 52 612 185 476), as a parent company, issues this joint Statement on behalf of itself and each of its subsidiaries and reporting entities that are subject to the Act for the year ended 31 December 2022.

For the purposes of this statement, HBI Holdings Australasia Pty Ltd and each of its subsidiaries are collectively referred to as "Hanes Australasia".

Hanes Australasia is part of the HanesBrands Inc. group of companies ("HanesBrands", "HanesBrands group" or "HBI"), a publicly listed company on the New York Stock Exchange.

Hanes Australasia through its common directorship and management has engaged and consulted with all companies it owns and controls in the development of this Statement (see Appendix for list of entities).

This Statement has been reviewed and approved by the Board of Directors of HBI Holdings Australasia Pty Ltd on 26 June 2023, as the principal governing body which is in a position to influence or control each of its subsidiaries and the reporting entities within the Hanes Australasia group covered by this statement.



Message from our President

Creating the fabric of a better life for people and planet

At Hanes Australasia, our actions are guided by our purpose to 'create the fabric of a better life for people and planet'. Core to this purpose is our commitment to upholding the human rights of all people who play a role in creating and bringing our products to life for our customers.

This is Hanes Australasia's third Modern Slavery Statement, and I am pleased to share our approach and actions to manage modern slavery risks in our operations and supply chain throughout 2022. Our Statement outlines the ongoing programs we have in place, highlights our progress and identifies areas where we plan to undertake further work.

During the year Hanesbrands has continued to make meaningful progress to identify and mitigate the risk of modern slavery in our operations. In particular we have:

- Reviewed and assessed Board Committee Charters, with modifications made to further strengthen the HanesBrands' Board of Directors oversight of our ongoing ESG initiatives
- Updated and relaunched our Global Code of Conduct, which underpins our Global Ethics and Compliance program and guides our culture of integrity
- Commenced transition back to physical unannounced audits of goods for resale suppliers, having temporarily adjusted our approach during the COVID-19 pandemic
- Commenced supply chain mapping of key product styles, to drive enhanced supply chain visibility and provide greater transparency to our consumers and stakeholders

- Finalised our modern slavery risk assessment of goods not for resale and services suppliers
- Continued the transition of our products to more sustainable and traceable alternatives, in line with our sustainability goals.

In the year ahead we will continue to look for opportunities to strengthen our systems and processes to ensure the protection and wellbeing of all people working in our operations and throughout our supply chains.

Tanya Deans
President, Hanes Australasia and in her capacity as Director of HBI Holdings Australasia Pty Ltd

Introduction

Hanes Australasia is part of Hanesbrands Inc.

Hanes Australasia is part of the HanesBrands Inc. group of companies (“HanesBrands”, “HanesBrands group” or “HBI”), a publicly listed company on the New York Stock Exchange (NYSE: HBI) with an established industry-leading responsible sourcing program that has been in place for more than 20 years. In 2022, HBI was named as one of the World’s Most Ethical Companies by Ethisphere for a second consecutive year and takes great pride in its strong reputation for ethical business practices and its sustainability program. More information about our programs can be found at www.HBISustains.com.

HanesBrands continues to implement a rigorous set of standards for both its company-owned facilities and its third-party suppliers. Our Global Standards for Suppliers (GSS) and Global Human Rights Policy, are primarily based on international labour and human rights standards. We believe that all workers at these facilities have the right to freely choose employment and freely associate and collectively bargain. Our standards specifically prohibit forced or involuntary labour whether bonded, prison or indentured, including debt servitude.

Since 2009, HanesBrands has been a fully accredited member of the Fair Labor Association (FLA), an internationally recognised non-governmental organisation (NGO) whose goal is to advance labour rights globally and to help industry appropriately address a range of complex issues – including the eradication of forced and slave labour across the supply chain. Our work with the FLA, and other global NGOs and organisations, has proven valuable in our efforts to ensure that all of our suppliers are compliant with our GSS and relevant international laws.

The term ‘modern slavery’ is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. It includes forced labour, forced marriage, slavery, servitude, debt bondage, deceptive recruiting for labour or services, human trafficking and the worst forms of child labour (where children are subjected to slavery or similar practices, or engaged in hazardous work). Hanes Australasia has a zero-tolerance policy against such issues and supports international efforts to promote and protect human rights.

We understand that businesses alone cannot eradicate modern slavery in isolation and that collaboration with civil society, government and other stakeholders is important. We acknowledge the important role companies play in helping to prevent the occurrence of modern slavery throughout their business activities.

Our business structure, operations and supply chain

Our structure and operations

Hanes Australasia is home to some of Australia’s most recognised apparel and lifestyle brands. Our brand portfolio includes Bonds, Berlei, Bras N Things, Champion, Dunlopillo, Explorer, Fairydown, Jockey Australia and NZ¹, Kayser, Playtex, Razzamatuzz, Rio, Sheer Relief, Sheridan and Voodoo.

Hanes Australasia designs, sources, markets, distributes and sells product via wholesale partners, distributors and through our own retail network, which includes 553 stores and 11 online stores.

Headquartered in Melbourne Australia, Hanes Australasia has over 6,500 employees and operates throughout Australia, New Zealand, China, India, Indonesia (including our own manufacturing facility), Pakistan, South Africa, Thailand and the United Kingdom.

Hanes Australasia is part of the HanesBrands group of companies. HanesBrands makes everyday apparel that is known and loved by consumers around the world for comfort, quality and value. Among the company’s other iconic brands are Hanes, the leading basic apparel brand in the United States; and Champion, an innovator at the intersection of lifestyle and athletic apparel.

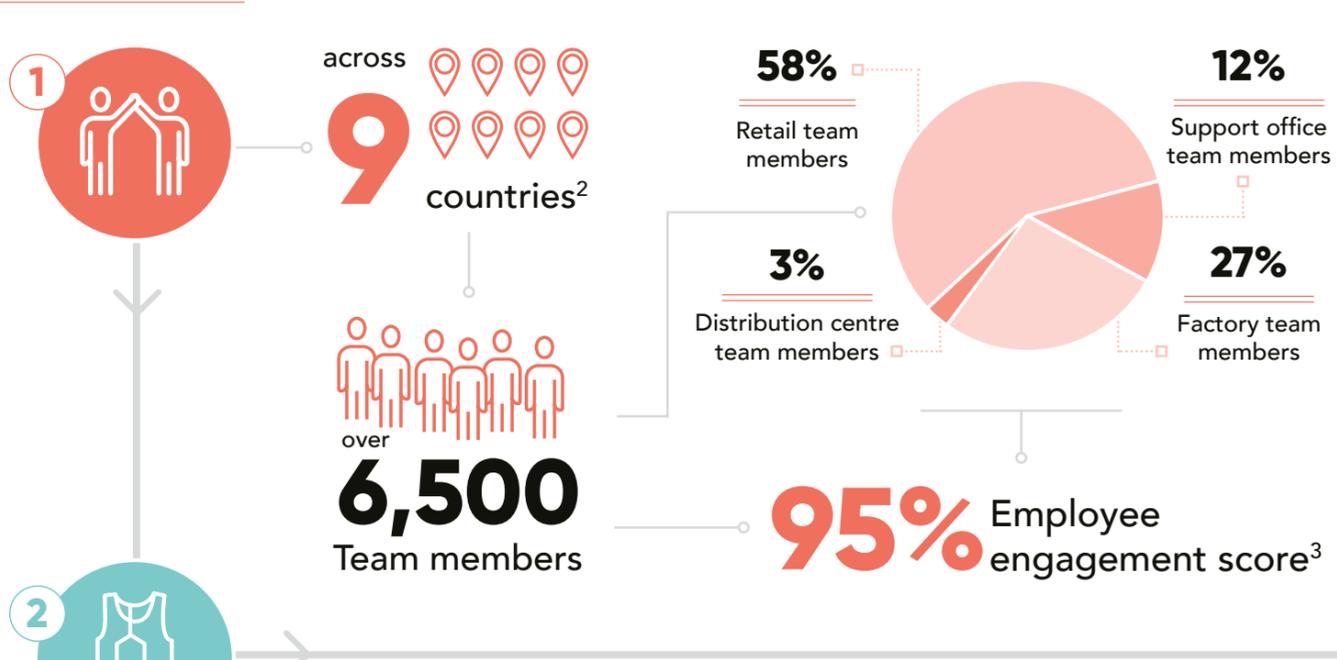
As a total group, HanesBrands employs over 50,000 people in more than 30 countries and has built a strong reputation for workplace quality and ethical business practices.

Unlike most apparel companies, HanesBrands group makes about two-thirds of its clothing in facilities that it owns or directly controls. This not only impacts cost, scale and flexibility, but also supports our ability to adhere to best-in-class workplace practices and improve our company’s sustainability.

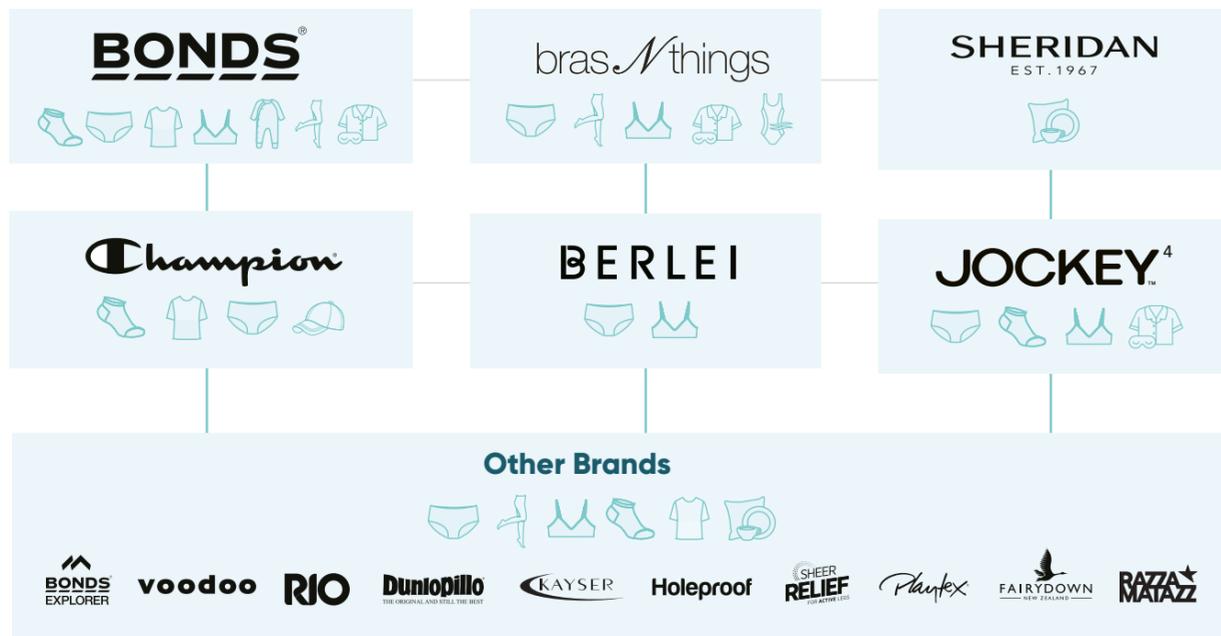


1. Under license from Jockey International, Inc.

Team



Brands and products



#1 Market position in all core categories⁵

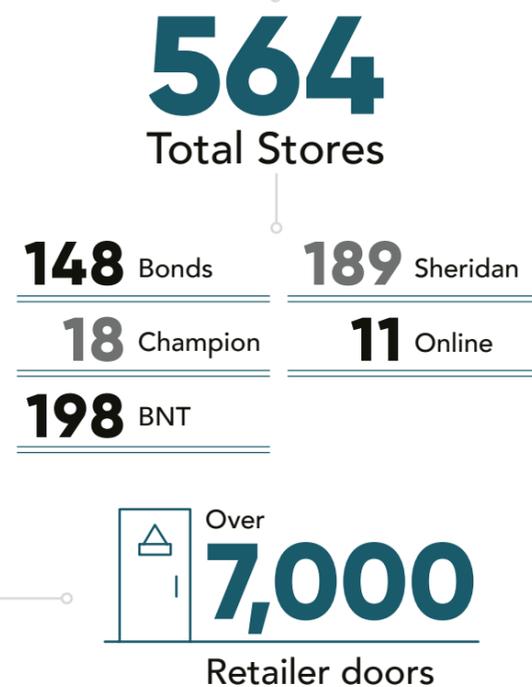


Supply partners



5 Store network

Store network



4 Operations

Operations



Figure 1: Overview of Hanes Australasia operations included within the scope of this report.

2. Australia, New Zealand, China, India, Indonesia, Pakistan, South Africa, Thailand, United Kingdom
 3. Engaged and highly engaged
 4. Jockey Australia and New Zealand, under licence from Jockey International Inc.
 5. Core categories includes underwear, bras, socks, hosiery, babywear and premium bedlinen
 6. Initial audits (11), Annual audits (101), Remediations (55)

Our supply chain

Hanes Australasia's supply chain can be broadly grouped into the following categories:

1.

Goods for resale

Finished products such as apparel, homewares, underwear, socks and hosiery, sourced through both HanesBrands group owned manufacturing facilities, as well as third-party suppliers.

2.

Goods not for resale

Includes items such as IT equipment, office supplies and consumables, retail store fit-outs and manufacturing equipment.

3.

Services

Includes real estate and facility management (including cleaning), utilities, customer support, finance, IT software and support, marketing, professional services, transport, logistics and warehousing.

Goods for resale

Our operations are supported by both HanesBrands group owned manufacturing facilities, as well as a network of third-party suppliers. Outside of our owned manufacturing capability, these suppliers are essential to our business. We work diligently to ensure we only do business with those who share our strong ethical values.

Of the goods manufactured by third-party suppliers, the vast majority are produced by those that we have direct and longstanding relationships with.

During 2022, Hanes Australasia manufactured and/or sourced 98% of its goods for resale from Australia, Bangladesh, Cambodia, China, India, Indonesia, Pakistan and Vietnam. The remaining 2% was sourced from Canada, Denmark, El Salvador, Honduras, Jordan, Portugal, South Korea, Sri Lanka, Taiwan, Thailand, Turkey and the United States of America.

HanesBrands group publishes a global facility location map of all owned and supplier facility locations, which can be found on <https://hbisustains.com/transparency-map-2/>.

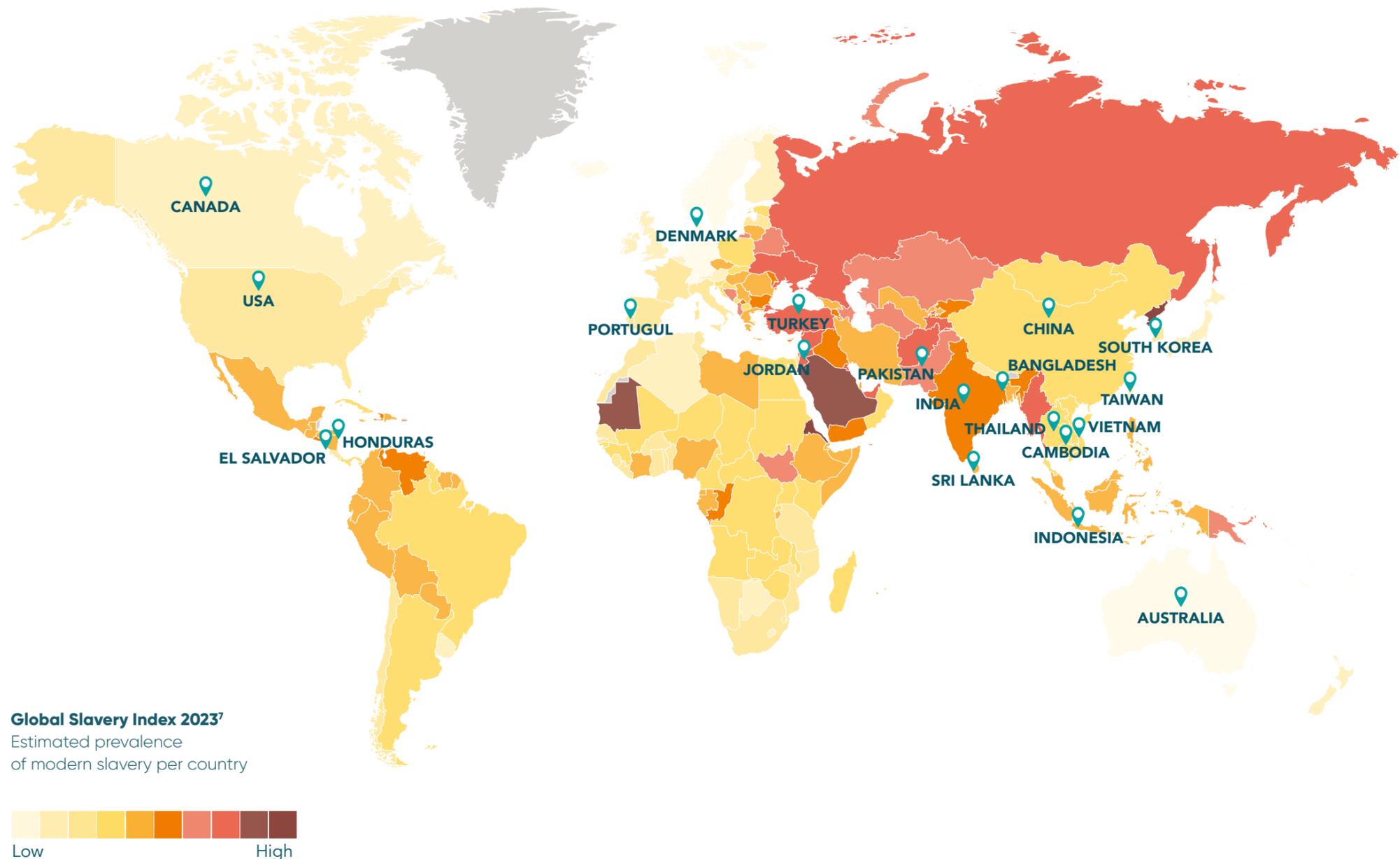


Figure 2: Hanes Australasia goods for resale manufacturing locations, 2022

7. www.globallslaveryindex.org

Our supply chain (continued)

Goods not for resale and services

Hanes Australasia procures goods not for resale and services (GNFRS) to support its business operations across eight key spend categories, as follows:

Real estate & facility management:

Resources and services related to the rent, utilities, management and maintenance of physical facilities and properties including offices, distribution centres, manufacturing sites and retail stores.

Logistics:

Warehousing, transportation, distribution and supply chain services which facilitate the movement and storage of product and materials.

Marketing & selling:

Advertising, promotion and selling costs (including licence fees and royalties) to enhance the visibility of our product in the marketplace.

Financial & professional services:

Finance, accounting, legal and other professional services supporting our operations.

Administration & human resources:

Administrative, employee and staff-related activities which support staffing and operational needs.

Information & communications technology:

Telecommunication and technology-related products and services inclusive of hardware, software and IT support.

Plant & equipment:

Machinery, tools and equipment necessary for manufacturing and production activities.

Office supplies:

Supplies and materials required for day-to-day activities such as stationery, uniforms and other consumable items.

A large proportion of the suppliers we engage with have their businesses incorporated and located in Australia.

The GNFRS we procure however, may involve domestic and international production or service activities. For example, shopfitting's used in our retail stores may be procured from our Australian based supplier that produces the item overseas.

85%

of total GNFRS spend in Australia

84%

of total GNFRS spend from 4 categories:

- Real estate & facility management
- Logistics
- Marketing and selling
- Financial and professional services.

80%

of total GNFRS spend represented from 103 vendors

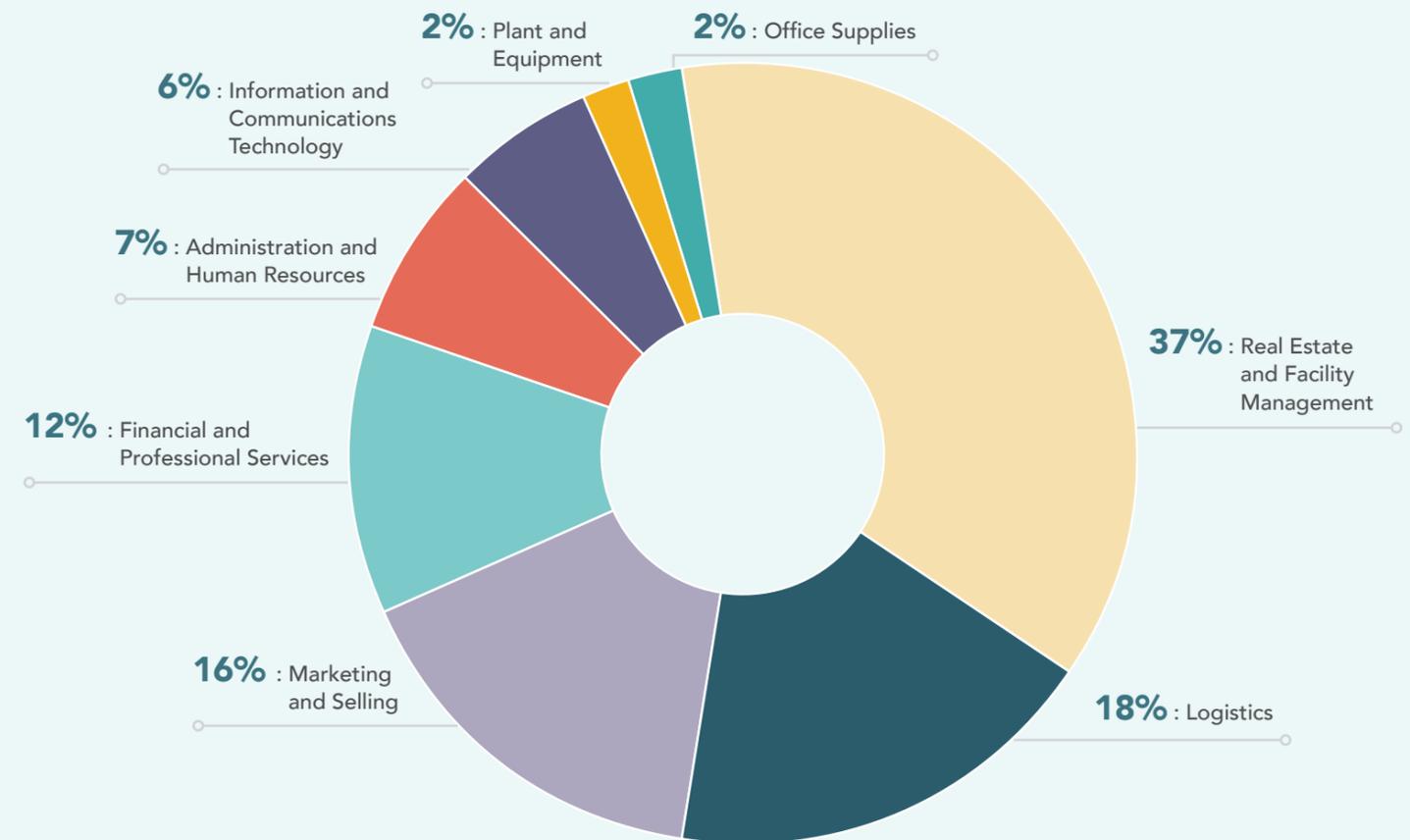


Figure 3: Overview of goods not for resale and services

Governance

HanesBrands group has a corporate governance framework that is underpinned by various policies, procedures and standards. The HanesBrands' Board of Directors and its committees oversee the development and execution of our Environmental, Social and Governance (ESG) strategy, including oversight of our policies, programs and initiatives related to environmental sustainability, health and safety, diversity, equity and inclusion and responsible sourcing. In 2022, the Board reviewed and assessed its Committee Charters and approved modifications to further strengthen its oversight of HanesBrands' ongoing ESG initiatives.

HanesBrands' Governance and Nominating Committee coordinates the Board's ESG oversight responsibilities, with support from the Audit Committee and the Talent and Compensation Committee. These oversight responsibilities include assessing and reviewing the relevant ESG risks, opportunities and disclosure obligations as below:

- The Governance and Nominating Committee coordinates oversight of our ESG strategy and communications, as well as our corporate governance policies and practices. It also assesses whether relevant ESG risks, opportunities and disclosure obligations are regularly reviewed and considered by the appropriate Board committees.
- The Audit Committee has primary responsibility for the Planet and Product pillars of our ESG strategy, including the aspects of our ESG strategy designed to address risks and strategies related to climate change, water usage, waste management, greenhouse gas emissions, chemical management, raw material sourcing, product, packaging, and product liability. It is also responsible for the company's Global Ethics and Compliance (GEC) and responsible sourcing programs.

- The Talent and Compensation Committee, which was renamed in 2022, is primarily responsible for the "People" pillar of our ESG strategy, which includes oversight of diversity, equity and inclusion, talent development, health and safety and labour management supply chain labour standards.

Our global CEO and executive leadership team have direct responsibility for overseeing these programs and receive regular reporting on human rights risk management as part of the company's Enterprise Risk Management (ERM) process and through frequent updates.

Our Corporate Social Responsibility (CSR) / Compliance function, reporting to the EVP, Chief Legal Officer, Corporate Secretary & Chief Compliance Officer is responsible for the design and implementation of the GEC and responsible sourcing programs. Our CSR team works with independent third-party auditors, our global operations team and corporate functions to implement and manage these programs, globally.

Our global supply chain function and each regional division, including Hanes Australasia, are accountable for addressing any non-compliance with the responsible sourcing program and are charged with working with suppliers on continuous improvement of their compliance scores.

The President of Hanes Australasia and the Hanes Australasia Leadership Team receive regular reports on Hanes Australasia's compliance levels, remediation activities and modern slavery risk management from the global CSR team, as well as the Hanes Australasia Sourcing, Sustainability and Finance teams.



Figure 4: HBI and Hanes Australasia governance structure

Identifying risks of modern slavery practices

Modern slavery is a complex dynamic that is reported to occur in every region of the world, crossing borders, sectors and jurisdictions.

The following industry risks, as defined by the Act, are most relevant to our supply chain:

Forced labour or child labour

- Restrictions of movement, intimidation, threats, and human trafficking

Bonded labour

- Payment of recruitment fees or associated costs, and retention of identity documents

Deceptive recruitment

- False promise of a job, benefits or conditions

Exploitation of vulnerable workers

- In particular female and international migrant workers

Un-authorised subcontracting

- Outsourcing of all or part of production to un-authorised facilities

Figure 5: Industry modern slavery risks

Our operations

The health, safety and wellbeing of our team members remains our highest priority, and we have well established policies and practices in place to protect employees, including universal access to an independent, confidential grievance reporting system (see further detail on page 27 of this report).

We employ over 6,500 full time, part time and casual employees across our operations in Australia, China, India, Indonesia, New Zealand, Pakistan, South Africa and the United Kingdom, with most directly employed on full time, part time or casual/temporary contracts.

Hanes Australasia recognises and respects the right of all employees to exercise their right to freedom of association and right to collectively bargain.

Approximately 86% of employees are employed under an Award or Enterprise Agreement, with the remaining 14% employed on individual agreements underpinned by national and local government laws.

All agreements include details regarding minimum pay, hours of work, deductions and leave entitlements, health and safety, and termination of employment.

In addition, Hanes Australasia indirectly engages casual labour hire employees in both of our Australian distribution centres. These casuals are employed and paid by labour hire agencies. Hanes Australasia oversees their day-to-day work on our premises. Contractual obligations with the labour hire firms stipulate compliance with Australian laws including payment of Award wages.



Hanes Australasia believes the risk of modern slavery in our internal operations continues to be low.

Our supply chain – goods for resale

The products Hanes Australasia sells in its stores, online and through its wholesale partners are sourced from a combination of our owned manufacturing facilities, as well as third-party suppliers. All suppliers and owned manufacturing facilities are included within the scope of our comprehensive Responsible Sourcing Program and subject to further risk assessment.

In assessing our risks, HanesBrands group utilises data generated through our Global Standards for Suppliers (GSS) audit program which includes an ongoing scored audit process, providing detailed information about our substantive and geographic risks, globally. We have provided an overview of our GSS program later in this report (page 21). We also receive extensive and actionable feedback from the Fair Labor Association’s (FLA) sustainable compliance methodology (SCI) audit process and through ongoing engagements with civil society organisations (CSOs).

Geographic risks

During 2022, Hanes Australasia products were sourced from approximately 109 facilities, including both owned manufacturing and third-party facilities, located across 20 countries. These countries included Australia, Bangladesh, Cambodia, Canada, China, Denmark, El Salvador, Honduras, India, Indonesia, Jordan, Pakistan, Portugal, South Korea, Sri Lanka, Taiwan, Thailand, Turkey, the United States of America and Vietnam.

Some suppliers operate in countries with higher risks of modern slavery. This includes countries with poor governance frameworks, weaker labour law enforcement, larger populations of migrant workers, or countries reported to have a higher prevalence of modern slavery violations.

We review global risk indices such as the Global Slavery Index⁸ and Transparency International’s Corruption Perception Index⁹ and consider these as part of our global Responsible Sourcing Program.

Of the goods for resale sourced by Hanes Australia during 2022, 3% was sourced from countries with a higher prevalence of modern slavery as defined by the Global Slavery Index 2023. See Figure 2 for an overview of vendor locations.

Industry risks

The apparel industry is broadly structured into four tiers, as indicated in the diagram below.



Figure 6: Supply chain tiers

Hanes Australasia has a direct relationship with all tier one suppliers, many of which have vertically integrated fabric mills and dye houses (tier two operations). Our teams also have visibility into nominated fabric suppliers via our tier one suppliers, included as part of our raw material specifications, allowing increased visibility into our supply chain and monitoring of ethical sourcing compliance. There may be a heightened risk of modern slavery among non-vertically integrated or un-nominated suppliers, particularly those operating independently at lower levels of the supply chain (i.e. tiers two and below), where visibility is not as clear given the indirect nature of these supply relationships to Hanes Australasia. This includes non-vertically integrated fabric production facilities; yarn and synthetic fibre producers; and raw material suppliers, such as cotton farms and synthetic fibre polymerisation.

8. <https://www.globallslaveryindex.org/>

9. <https://www.transparency.org/en/cpi/2022>

Heightened risks during the reporting period

During 2022, world events impacting our supply chain risk profile included the Russia-Ukraine conflict, the ongoing effect of COVID-19 restrictions in key sourcing regions and a weakened global economic environment.

We continue to closely monitor specific risks around vulnerable populations, including migrant workers, labour compensation and unauthorised subcontracting throughout our supply chain. Key risks identified that may have been exacerbated due to the impact of these events are outlined below. As described later in this document (pages 18 to 27), we work proactively to manage and minimise these risks.

Vulnerable populations - international migrant workers

International migrant workers may be at increased risk of being subjected to exploitative recruitment practices, including forced and deceptive recruitment practices (around working conditions, housing and living conditions, wages /compensation etc.). These migrant workers may also accumulate debt in order to pay recruitment fees to secure employment. Supplier facilities that use third-party labour hire companies, agents or labour brokers to source workers from overseas increase the risk of exploitative recruitment practices by reducing visibility of the recruitment practices.

Forced and bonded labour

Workers may also face reduced freedom to terminate their labour contracts after either incurring recruitment fees and associated costs (e.g., air tickets) and / or personal loans which are provided by their employer. These workers may be required to work for long periods to repay outstanding debts (by wage deduction or reduced severance pay).

Unauthorised subcontracting

Unauthorised or hidden subcontracting can occur and happens when suppliers outsource all or part of their production orders to a third-party, without obtaining prior consent from the purchaser. This can be tied to non-compliant working conditions. During recent times, there has been an upward trend of unauthorised subcontracting in the industry.

Impact of country COVID-19 restrictions

With the global apparel industry continuing to experience unprecedented uncertainty due to the pandemic, the ability for some workers to earn an income has been reduced due to country and regional level restrictions. Some governments provided subsidies to affected workers.

Unfair dismissal and inadequate compensation

Workers may face an increased risk of termination of employment due to the current economic downturn, with many garment factories reducing their workforces.

Gender-based Violence and Harassment (GBVH)

Female garment workers may be at increased risk of experiencing GBVH, with the issue exacerbated because of the economic downturn being experienced. Workers may tolerate these abuses while at work to maintain their job security, and ensure their income is not negatively impacted.

Product risks

In addition to the risks identified above, Hanes Australasia has identified cotton as a key raw material used in its supply chain with a higher risk of modern slavery, particularly with respect to cotton cultivation in higher risk geographical regions.

Hanesbrands has a zero tolerance for forced labour anywhere in our supply chain.

We have a long history of broad and effective engagement with relevant stakeholders on difficult human rights issues. We are committed to continue working with our industry peers, labour advocacy groups, governments and other stakeholders to eradicate forced labour and human rights violations.

Further, as part of our sustainability strategy and goals, we continue to transition to more sustainable raw material alternatives that provide third-party certifications and valid traceability. For example, more sustainable cotton includes Australian and U.S. grown, organic, recycled or sourced from reputable sustainable cotton programs. During the reporting period, we also continued to extensively survey our global supply chain to ascertain the origin of cotton used in our products. Results from this work indicate that we are not using any cotton from prohibited regions in our products. Origin testing of cotton products will also soon begin.

Goods not for resale and services

The goods not for resale and services (GNFRS) Hanes Australasia uses to support its business operations, are largely procured from suppliers incorporated and located in Australia. Whilst the risk of modern slavery occurring in Australia is low compared to other parts of the world, modern slavery can exist domestically. To mitigate risk, within our contracts we include obligations to comply with Australian law and our company's policies. We also recognise that these goods and services may involve domestic and international production and/or service activities.

Outside of Australia, we also engage services in other regions where we have operations, and procure goods not for resale which are subject to international supply chains.

In the reporting period, we finalised our mapping and initial analysis of modern slavery risks associated with the procurement of these goods and services. This included performing a risk analysis of spend by country, sector, industry and category to ascertain suppliers to prioritise for further due diligence. Analysis highlighted that during 2022, 85% of total GNFRS spend was sourced from Australian based suppliers, with 80% of total GNFRS spend with approximately 103 vendors.

During 2023 we will continue our plans for further risk mitigation, and commence implementation of additional diligence for key high-risk vendors.



Mitigating and remediating risks of modern slavery

Policy framework

Hanes Australasia, as part of HanesBrands group, is proud to have implemented a rigorous set of standards for both our company-owned facilities and suppliers. These standards articulate our values and expectations in relation to human rights and responsible sourcing. The following policies are those most relevant to preventing modern slavery among our team members and workers in our supply chains and operations:

Global Code of Conduct¹⁰

Our Global Code of Conduct (GCC) applies to all employees of HanesBrands group and was updated and relaunched in 2022. It underpins our Global Ethics and Compliance (GEC) program¹¹ and guides our culture of integrity. Continuous reinforcement of the importance of individual behaviours is reinforced throughout our operations. Our GCC includes five fundamental principles that guide our behaviour every day:

- We are accountable
- We respect others
- We do what's right
- We protect what is ours
- We are good stewards

This guiding policy is shared across our entire global business and employee base, has been translated into 13 languages and is available online to make it accessible for everyone.

Code of Conduct Officers are also in place in every country that we operate in. These officers are advocates for fairness, serving as trainers and resource providers for the GEC program.

Global Human Rights Policy¹²

Respect for human rights is fundamental to our business, and we are committed to ensuring that all people are treated with dignity and respect and to providing certain fundamental rights at work so that all those working for us have the opportunity to fully achieve their human potential. This policy applies to all employees and owned operations, as well as to our third-party suppliers and their employees.

In developing this policy, Hanesbrands was informed by the:

- International Bill of Human Rights;
- International Labour Organization's Declaration on Fundamental Principles and Rights at Work; and
- United Nations Guiding Principles on Business and Human Rights.

Key human rights focus areas include:



Figure 7: Human rights focus areas

Global Standards for Suppliers¹³

Reviewed and updated annually, our Global Standards for Suppliers (GSS) call for all suppliers to conduct themselves with honesty and integrity and to fully comply with the law and HanesBrands policies. Our GSS applies to all facilities involved in the production of HanesBrands products anywhere in the world, including our owned facilities. Consistent with our Global Human Rights Policy, our GSS is primarily based on international labour and human rights standards and the Fair Labour Association's (FLA) Code of Conduct.

Our GSS includes requirements across the following compliance areas:

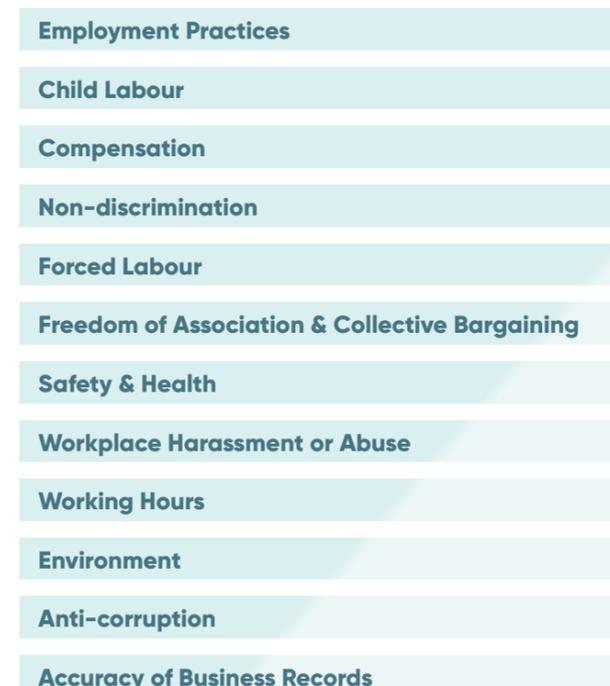


Figure 8: GSS compliance areas

We believe that all workers at our owned and supplier factories have the right to freely choose employment and to freely associate and collectively bargain. Our standards specifically prohibit forced or involuntary labour whether bonded, prison or indentured, including debt servitude.

All finished goods facilities must undergo a GSS assessment by an approved external auditor before production begins. This is then followed-up with ongoing internal work and external annual assessments. We have a zero-tolerance policy against certain issues which will lead to us immediately terminating our business relationship (see further detail later in this report on page 24).

Sourcing restrictions are also in place for higher risk and legally precluded jurisdictions. A violation to this provision constitutes a zero-tolerance violation and will result in immediate cessation of all business with HanesBrands group.

For more information on our human rights program, as well as specific brand sustainability initiatives, please visit www.HBISustains.com.



10. <https://hbisustains.com/wp-content/uploads/2023/04/HBI-COC-2022-English.pdf>
 11. <https://hbisustains.com/global-ethics-compliance/>
 12. <https://hbisustains.com/wp-content/uploads/2023/04/Human-Rights-Policy-Clean-final-3-28-18-005-1.pdf>

13. <https://hbisustains.com/global-standards-for-suppliers/>

Employee training

It is important that our employees know and understand our policies and how to reach out for help when needed. We regularly train all employees on the requirements of our Global Code of Conduct (GCC) and all management-level employees are required to undergo online training annually. This is then cascaded down to all employee levels. We believe a thorough understanding by all team members of the requirements of these standards is critical to mitigating risks associated with such critical modern slavery issues.

Our Global Ethics and Compliance (GEC) program also offers videos, e-learning modules and live training to all employees. In addition, each year HanesBrands group holds an intensive GEC month across all global locations to reinforce the importance of our ethics program and human rights issues.

Regular training on our Global Human Rights policy, GCC and GSS is routinely provided by the HanesBrands group CSR team to relevant supply chain management, procurement, human resources, facility management and compliance teams. Training includes details on our scorecard auditing process and the expectations we have for everyone along the value chain as it relates to human rights. This training can take various forms, from simple discussions at relevant staff meetings to in-depth, multi-hour, formal training on the details of our program covering all core human rights and relevant International Labour Organization (ILO) standards.

HanesBrands group purchases an annual education pass from the FLA for each member of our CSR team that grants them unlimited access to the FLA's comprehensive training program. Through this program, our team completes an annual curriculum oriented towards the enhancement of their individual abilities to tackle complex issues that are present in the global supply chain.

Supplier agreements

We expect all of our suppliers to act in a responsible manner and in accordance with prevailing local and international legislation. To ensure that suppliers live up to our values, our finished goods suppliers are required to sign a comprehensive agreement which, among other things, requires them to comply with all applicable laws (which include those regarding forced labour and human trafficking) and our Global Standards for Suppliers. We expect our suppliers to impose similar obligations on their own supply base.

Our suppliers of component materials and parts to our owned manufacturing facilities are also required, via our purchase order process, to comply with our Global Standards for Suppliers and all applicable laws.

For goods not for resale and services suppliers, we include obligations to comply with Australian law and our company's policies. Where appropriate, we also include specific obligations to comply with Australian Modern Slavery legislation.

Responsible sourcing program

We have consistently worked for many years to audit suppliers to ensure that forced labour and human trafficking is not taking place in our supply chain. The intensity and frequency of these audits vary based on our risk evaluations and also on the historical performance of a given factory in our internal and external audits.

All finished goods suppliers must undergo an initial audit to verify compliance with applicable laws and the requirements of our Global Standards for Suppliers before production begins. All active suppliers and owned facilities are required to then have ongoing annual assessments. To ensure accuracy and integrity, the initial and annual assessments are conducted by independent third-party auditors from internationally recognised audit firms¹⁴, with remediation audits primarily conducted by our internal CSR team or by third-party auditors in regions where we have no local presence or where zero tolerance issues have been identified. Our policy is to conduct all audits on unannounced basis.

All third-party audits include an initial management interview; facility and dormitory (if applicable) tours; payroll analysis; policies, training and employees' records review; confidential employee interviews that cover such issues as working hours, payment practices, freedom of association, forced labour, child labour and disciplinary practices; and a closing meeting with management.

We consistently audit suppliers to ensure that **they meet our responsible sourcing standards.**



Initial Audit

- All new suppliers before production begins
- Conducted by third-party auditor



Annual Audit

- All active suppliers & owned facilities
- Conducted by third-party auditor



Remediation Audit

- All active suppliers & owned facilities with open corrective action reports
- Conducted by third-party auditor

All audits are conducted on an unannounced basis

Figure 9: GSS audit types

14. Elevate, ICG, SCSA and One-step (for Vietnam only)



Responsible sourcing program (continued)

A facilities performance is measured using a detailed audit scorecard¹⁵ with more than 200 questions across five key areas:



Figure 10: Overview of GSS Audit Protocol

GSS assessment scorecard

Each applicable question is scored based on the auditor's observations on a 0-3 scale with specific criteria identified to attain each score. A score of 1 is considered substandard, 2 is considered as meeting expectations and 3 signals best practice. If the facility does not meet audit requirements, points are deducted and the appropriate corrective and preventive actions to remediate such non-compliances are required.

Based on a facility's audit performance, their compliance scores are rolled-up by section, and a final overall score is calculated. Suppliers are ranked into five possible compliance levels as shown below. An average question score of 2 on a 100-point scale equates to a score of 66% and a C grade achieved. The lowest-scoring, unsatisfactory facilities are placed on our Alarm List¹⁶ for flagged high risk violations that need immediate action.



Figure 11: GSS Compliance levels

15. <https://hbisustains.com/wp-content/uploads/2023/04/GSS-Assessment-Protocol-v2023-1.pdf>

16. Facilities with a GSS compliance score of 50% or below.

Responsible sourcing program (continued)

Following is the list, by category, of high risk violations that can result in a facility being removed from our approved suppliers list:

 <p>Zero Tolerance Violations</p> <p>Immediate Disapproval and exit within 6 weeks</p>	 <p>Critical Violations</p> <p>30 day Remediation Process</p>	 <p>Serious Violations</p> <p>60-90 day Remediation Process</p>
<ul style="list-style-type: none"> • Bribery / attempted bribery of auditors • Child labour (workers under the age of 15) • Unauthorised sub-contracting • Retaliation against workers that participate in audit process • Prison labour • Sourcing from prohibited countries / regions 	<ul style="list-style-type: none"> • Audit rejection • Verbal and sexual harassment • Physical abuse • Child labour (workers 15 or above but below legal age) • Forced labour • Retention of travel or identity documents • Life threatening safety violations • Work performed at home • Freedom of association violation • Payroll delayed on 2 or more consecutive payment periods 	<ul style="list-style-type: none"> • Paying below the legal minimum wage • Migrant workers paying recruitment fees • Transparency of records, including misleading or inconsistent recordkeeping • Dormitory buildings not separated from manufacturing and/or warehouse buildings • Serious safety violations

Figure 12: GSS high risk violations

Embedded within the HanesBrands group regional operations is a dedicated team of internal corporate social responsibility (CSR) / compliance staff who ensure strong oversight of the GSS program and the corrective action process. Our CSR teams visit facilities on an unannounced basis to confirm adherence to corrective action requirements.

To support the entire GSS process, we use a sophisticated centralised software tool, our Global Vendor Management System (GVMS), which tracks and manages the entire audit process, from facility on-boarding to audit assignment to completion of the audit report and management of the corrective action process. By using a scored auditing tool, we can numerically track improvement (or lack thereof) over time and the effectiveness of our action plans.

Improvements on issues like hours worked are often driven by the leverage we have with a facility. We have learned through this process that we need fewer, larger facilities to have the leverage to continue to sustainably effect positive change on a range of human rights issues. This strategy is driving our sourcing model and buying decisions.

Between owned, contractor and licensee facilities, HanesBrands group is currently monitoring 542 sewing, decoration and textile facilities, with over 83% of global facilities scoring B or above. In 2022, HanesBrands conducted 948 audits, half of which were annual audits and the remaining a combination of initial and remediation audits.

We pay particularly close attention to those facilities on the Alarm List. As at 31 December 2022, there were 28 facilities on the global Alarm List – many of which were because of zero-tolerance violations and most of which were located in China and Bangladesh.

Our sourcing teams have real-time access to GSS data, including those facilities on the Alarm List. The compliance, sustainability and sourcing teams work closely together to immediately remediate these Alarm List factories or quickly develop exit plans.

We are committed to working with facilities to remediate their violations, however if they are not able to remedy them, or in the event of zero tolerance violations, we will work with those facilities to exit.

In 2022, the HanesBrands group refused to initially enter or terminated its relationship with 56 facilities. Of these, 49 were exited because of zero-tolerance violations, mostly relating to compensation and working hours issues. Facilities that are “disapproved” for zero-tolerance or other violations not remediated in a timely manner remain “disapproved” for a minimum of one year.

As we track the score of our facilities over time, we can review whether they are making improvements and lifting standards for their workers and use this in making sourcing decisions. One data point HanesBrands tracks is the average score of all facilities when initially audited versus their scores at remediation and subsequent annual audits. For 2022, the average of all initial audits completed since the implementation of the scorecard system was 63%, while the average of all annual audits was nearly 70%, and remediation audits 76% – an indication that our auditing and remediation process is moving the needle.

Also of note is the average score by size of facility. We have long believed that smaller, less sophisticated facilities do not perform as well as larger ones. A strategy of moving to fewer, bigger facilities not only makes business sense but will also drive us to more compliant third-party supply partners.

Adjustments made to GSS audit protocol due to COVID-19

Throughout the COVID-19 pandemic, we have endeavoured to maintain our audit program wherever possible (subject to government restrictions and mandates) and have considered advice from third-party auditors, using different ways of working such as remote and virtual remediation testing procedures, where required.

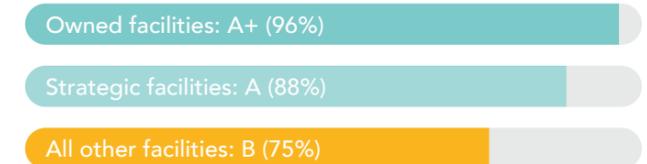
Where we normally conduct unannounced audits, during the reporting period we continued our temporary adjustment to a semi-announced basis with a two-week audit window in some cases to allow for COVID-19 safety control procedures regarding site access.

As restrictions started to ease across many regions in 2022, from May we reverted to semi-announced physical audits. From July 2022, we reverted to unannounced physical audits in some regions where restrictions allowed, with virtual audits only to be conducted on an exceptions basis.

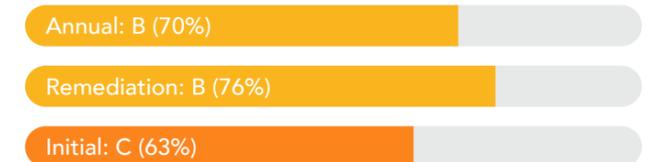
Number of GSS Audits for 2022



Average GSS Grade by Facility Type (Dec 2022)



Average GSS Score By Audit Type for 2022



Average GSS Score by Employee Group (March 2023)



Figure 13: Overview of GSS supplier compliance

Supplier dialogue and capacity building

We maintain an ongoing focus on training, capacity building and the building of long-term relationships with our supplier partners. Supplier training is conducted by our internal CSR / compliance team. Training targets both mid-level and upper-level management of facilities and covers all aspects of our Global Standards for Suppliers, including labour relations and our GSS assessment process. Training is also conducted at our supplier conferences that are attended by facility owners and / or general managers.

Hanes Australasia also uses LEAN methodology to improve and strengthen relationships with suppliers and build their capacity. The LEAN program has established a culture of sharing and learning not only between suppliers and our company, but also between our suppliers. We have led various site visits with our suppliers to share best practices in production, social compliance and sustainability. Globally, HanesBrands extensively trains all internal facilities using LEAN methodology.

Supplier raw material due diligence

On at least an annual basis, suppliers are required to confirm the origin of cotton used for any and all fibre, yarn, thread, fabric and/or finished apparel that was (or will be) sold to HanesBrands group. As part of this confirmation, suppliers must certify that such items do not contain cotton from any jurisdiction where forced labour has been identified pursuant to the standards set forth by the International Labor Organization (ILO) and its conventions. Confirmation is also sought that neither their company, nor any of its subsidiaries, have engaged or are engaging, directly or indirectly, with entities using forced labour, as defined by the ILO and its conventions, in the manufacture of any article of goods, or components, sold to the HanesBrands group.

Grievance mechanisms

The Hanes Australasia Whistle-blower Policy and the HanesBrands group Global Code of Conduct contains details on how our 50,000+ employees can make a report under the policy.

To help our employees report ethical or conduct concerns that do not reflect our values, HanesBrands operates toll-free resource lines and a dedicated email address that are available to all global employees 24/7, 365 days a year, answered in 14 languages by third-party provider Navex Global. The system commenced more than 25 years ago, and the toll-free number for each country is displayed on office noticeboards.

When an employee makes a report, Navex immediately notifies a dedicated team in the United States. This team triages each case and assigns it locally to trained investigators in its global Code of Conduct Officer network. Every case, no matter how small, is fully investigated, elevated as appropriate to members of management, and brought to proper closure.

Confidentiality is strictly maintained around all reports. We also maintain strong policies forbidding retaliation against employees who come forward in good faith with an issue and provide anti-retaliation training across our global operations.

The Navex system collates a broad range of data, such as issue type, country of reporting, whether the reporter was identified or anonymous, and whether the complaint was substantiated after investigation.

HanesBrands will continue our long commitment to providing appropriate outlets for our employees to come forward. It's the right thing to do for our people and the right thing for our business. We equally expect our third-party suppliers to have similar, appropriate grievance systems, and monitor them through our scorecard auditing process.

Multi-stakeholder initiatives

Hanes Australasia, as part of the HanesBrands group, participates in several industry associations and programs that aim to protect workers' rights and minimise the risks of modern slavery. These include the Fair Labor Association (FLA), the American Apparel & Footwear Association¹⁷ (AAFA) and the International Accord for Health and Safety in the Textile and Garment Industry¹⁸.

Since 2009, HanesBrands has been a fully accredited member of the FLA, an internationally recognised non-governmental organisation (NGO) and a collaborative effort of socially responsible companies, colleges and universities, and civil society organisations.

The FLA uses a multi-stakeholder approach to improving workers' lives and addressing a range of complex issues, including the eradication of forced and slave labour across the supply chain. The FLA provides guidance to members on how to address the risks of modern slavery in their supply chains and provides regular updates on global risks, latest trends and best practices as they relate to modern slavery. As part of our accreditation, we also receive extensive and actionable feedback from the FLA's sustainable compliance methodology (SCI) audit process. Our work with the FLA, and other global NGOs and organisations, has proven valuable in our efforts to ensure that all of our suppliers are compliant with our own GSS and relevant international laws.

A HanesBrands representative is currently serving a 3-year term on the board of directors of the FLA.

The HanesBrands group is also a signatory to the AAFA / FLA Apparel & Footwear Industry Commitment to Responsible Recruitment¹⁹, which was enhanced and re-launched in March 2023. Its principles aim to address forced labour risks for migrant workers in the global supply chain and are aligned to the requirements of HanesBrands' standards.



17. <https://www.aafaglobal.org/>

18. <https://internationalaccord.org/>

19. https://www.aafaglobal.org/AAFA/Solutions_Pages/Commitment_to_Responsible_Recruitment

Assessing the effectiveness of our actions

We acknowledge the importance of evaluating the effectiveness of our actions in responding to modern slavery risks in our operations and supply chain.

We currently track performance through a variety of activities and measures, as outlined below:

Area	Activity	Measure
Governance	Board and executive leadership oversight	Regular Enterprise Risk Management and Corporate Social Responsibility reviews
	Policy reviews	Ongoing policy reviews
	Internal audit reviews	Audit assessment results and remediation status
	Supplier contracts with human rights conditions	Percentage of supplier contracts with human rights compliance requirements
	Fair Labor Association accreditation	Accreditation status
	External benchmarks	Results in the Corporate Human Rights Benchmark (CHRB) ¹⁷ and Baptist World Aid's Ethical Fashion Report ¹⁸
	Risk assessments	Quarterly Enterprise Risk Management review
Risk Management	Supplier onboarding	Percentage of new suppliers compliant to GSS
	Employee training	Percentage of team trained on Global Code of Conduct
Training	Supplier training	Number of suppliers trained Frequency of supplier conferences held

17. <https://hbisustains.com/corporate-human-rights-benchmark-disclosures/>
 18. <https://baptistworldaid.org.au/resources/ethical-fashion-guide/>
 19. <https://hbisustains.com/our-global-ethics-program-the-numbers-say-our-employees-believe-in-it/>
 20. <https://hbisustains.com/global-standards-for-suppliers-performance-data/>

Area	Activity	Measure
Monitoring	Employee engagement survey	Various objective measures of employee engagement
	GEC employee survey ¹⁹	Navex benchmark results
	Fair Labor Association factory-level assessments (SCI & SCIV)	SCI & SCIV assessment results
	GSS audits	Number of audits completed & to plan
	Facility GSS audit scores ²⁰	Compliance scores
	GSS Alarm Report	Number suppliers on Alarm Report
	Supplier cotton due diligence	Number of supplier attestations received
	GEC resource line	Total number (and nature) of issues raised
	GEC cases	Number of cases remediated
	Supplier grievance mechanism channels	% with grievance mechanisms

Grievance mechanisms

External recognition

In 2022, HanesBrands ranked in the Top 20% of companies assessed in Baptist World Aid's Ethical Fashion Report. The report rates companies on the strength of their systems to mitigate modern slavery risks and minimise environmental impact across their supply chain.

In 2022, HanesBrands group was named one of the World's Most Ethical Companies by Ethisphere for a second year in a row.

Figure 14: Performance Measures

Continuous improvement and future focus areas

In our 2021 Statement, we highlighted key focus areas to further improve our mitigation of modern slavery risks in our operations and supply chain. We remain focused on delivering these initiatives in 2023 and beyond, and have made steady progress during 2022 as outlined below.

Focus area	Our progress in 2022, including plans for 2023 onwards
Goods not for resale and services	
 Finalise mapping and risk analysis	We have finalised mapping and initial risk analysis of goods not for resale and services and identified high risk suppliers and categories requiring further diligence.
 Develop a plan for further risk mitigation and monitoring, and commence implementation	In 2023 we will commence engaging with key suppliers to understand their modern slavery risk mitigation practices and perform additional risk analysis.
Responsible sourcing supplier audits	
 Revert to unannounced physical responsible sourcing audits, having temporarily adjusted to a virtual and semi-announced basis due to COVID-19 restrictions	With COVID-19 restrictions continuing to ease across many regions, from May 2022 we were able to revert to semi-announced physical audits. Commencing July 2022, unannounced physical audits resumed in some countries, where COVID-19 restrictions allowed. From March 2023, all audits will be conducted on an unannounced physical basis, in line with our policy.
Sustainable fibre goals and traceability	
 Continue to transition cotton and polyester fibres to more sustainable alternatives	As part of our sustainability strategy and goals, we continue to transition our products to more sustainable materials that provide third-party certifications and valid traceability. This includes gradual uptake of Australian, USA, organic and recycled cotton, which will continue into 2023 onwards.
 Continue to survey our global supply chain regarding origin of cotton used in our products	We also continue to extensively survey our global supply chain regarding the origin of cotton used in our products. Results from this work indicate that we are not using any cotton from prohibited regions in our products. To further reduce the risk associated with foreign cotton fibre and yarn, origin compliance testing will soon begin on a global basis.

Focus area	Our progress in 2022, including plans for 2023 onwards
Transparency	
 Continue to provide increasing levels of transparency to our stakeholders	Recognising the importance of providing increasing levels of transparency, we continue to enhance our ESG disclosures on www.HBISustains.com . This includes an annual update of our sustainability progress; the data supporting our GSS compliance program; and corporate social responsibility reporting. In 2022, we also commenced supply chain mapping of key product styles, to drive enhanced supply chain visibility and to provide greater transparency to our consumers and stakeholders once finalised.
 Continue to improve upon our modern slavery reporting	We also continue to enhance our modern slavery reporting disclosures, this year providing additional transparency of our GSS compliance program and goods not for resale and services spend. We remain committed to continuous improvement of our reporting.

KEY  COMPLETE  PARTIALLY COMPLETE IN 2023  ONGOING

Appendix

Reporting Criteria

This Modern Slavery Statement was prepared in accordance with the criteria set out in the Modern Slavery Act 2018 (Cth). The table below outlines where information related to each mandatory reporting criteria can be found:

Modern slavery statement mandatory criteria	Location of information
Criterion 1 Identify the reporting entity	About this statement
Criterion 2 Describe the reporting entity's structure, operation and supply chains	Our business structure, operations and supply chain
Criterion 3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Identifying risks of modern slavery practices
Criterion 4 Describe the actions taken by the reporting entity and any entity it owns or controls, to assess and address those risks, including due diligence and remediation processes	Mitigating and remediating risks of modern slavery
Criterion 5 Describe how the reporting entity assesses the effectiveness of these actions	Assessing the effectiveness of our actions
Criterion 6 Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	About this statement
Criterion 7 Provide any other relevant information	Introduction and Message from our President Continuous improvement and future focus areas

Hanes Australasia Subsidiaries

Company Name

HBI Holdings Australasia Pty Ltd
Hanes Australasia Pty Ltd
Hanes Holdings Australasia Pty Ltd
Hanes Australia Pty Ltd
Hanes Innerwear Australia Pty Ltd
Sheridan Australia Pty Ltd
Hanes Technology Services Australia Pty Ltd
Hanes IP Bonds Australia Pty Ltd
PT Hanes Supply Chain Indonesia
Hanes New Zealand Ltd
Sheridan N.Z Ltd
BNT Holdco Pty Ltd
Bras N Things Pty Ltd
Bras N Things New Zealand Ltd
Bras N Things South Africa Pty Ltd
Hanes Holdings Hong Kong Ltd
Hanes (Shanghai) Business Service Co., Ltd
Hanes (Shanghai) Business Service Co., Ltd – Dongguan Branch
Hanes Holdings Asia Ltd
Hanes Trading (Shanghai) Co., Ltd
Hanes Singapore Pte. Ltd
Hanes Holdings UK Ltd
Sheridan U.K. Ltd

