

MODERN SLAVERY STATEMENT

This statement is a joint statement made on behalf of the following companies within the Cotton On Group:

- Cotton On Australia Pty Ltd;
- Cotton On USA, Inc;
- Cotton On South Africa Pty Ltd; and
- Cotton On New Zealand Limited,

Together, these reporting entities, and the entities owned and controlled by the reporting entities, are referred to as **Cotton On** (or 'we', 'us', or 'our') pursuant to the *Modern Slavery Act 2018 (Cth) (Act)*. This statement is made in relation to the financial year ending 30 June 2023. References to the **Cotton On Group** or the **Group** are references to the broader group of COG Pty Ltd and the entities it owns and controls (which includes the reporting entities).

PURPOSE AND COMMITMENT

Cotton On Group is committed to an ethical and transparent approach to its operations. The Group takes a zero-tolerance approach to any form of modern slavery including servitude, human trafficking and forced labour. The Group is committed to ensuring there are effective systems and controls in place to safeguard against any form of modern slavery within our business operations or our supply chain.

This statement sets out the steps The Group takes to address the risks of modern slavery and human trafficking in our operations and supply chains. This is relevant to the *Modern Slavery Act 2015 (UK)*, the Transparency in Supply Chains Act of 2010 in California and the *Modern Slavery Act 2018 (Cth)*.

OUR ORGANISATION'S STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Established in 1991, the privately owned Cotton On Group is one of Australia's largest fashion retailers. The Group's operations consist of over 1,400+ stores in 22 countries with a team of approximately 20,000 people. Our support offices are located in Australia, New Zealand, Asia, Africa, Brazil, UK and the USA.

Our operations include distribution centres across Australia, New Zealand, the United States, South Africa, Singapore, Malaysia, and the United Kingdom. We also distribute products through third parties in Brazil. We have licensed partners located in the Middle East, Philippines, Indonesia, Central America and Vietnam.

We have wholesale operations through third parties such as: David Jones, The Iconic, Zalora, Zalando and Macy's.

Over the last 30 years, the Group has grown to eight brands including Cotton On, Cotton On Kids, Cotton On Body, Rubi Shoes, Factorie, Typo, Supre, Ceres Life and its philanthropic arm, the Cotton On Foundation. The Group also owns and operates Southern Cross Shopfitting, employing people in retail store development and construction.

Since day one, our purpose has been to make a positive difference in people's lives. It sounds simple but it's something we take really seriously and it's embedded firmly in our culture. As a global fashion business, we know we have a responsibility to do the right thing, and this responsibility includes ensuring our supply chain is both ethical and sustainable and as set out in more detail in [The Good Report](#). This year, the

Group partnered with Seamless, to participate in a product stewardship program in Australia. Seamless aims to significantly reduce the amount of clothing that goes into landfill within Australia. This partnership complements prior initiatives from the Group to reduce their impact on the environment and support more sustainable materials.

We source our materials and products from many countries worldwide, with the majority of our suppliers located in China and Bangladesh. We're proud of the great working relationships we have with each of our suppliers and factories, and we continually work closely with them, guided by our Ethical Framework which we describe in more detail below, to ensure the environments in which our products are made are safe, fair, sustainable, and responsible.

RISKS IDENTIFIED

Cotton On acknowledges that it operates in a high-risk sector and sources from countries which are associated with higher levels of modern slavery risk, we have implemented practices to ensure we can effectively identify the most pertinent risks faced by the Cotton On Group. We have a robust audit programme as part of our 14 Rules to Trade (described below). Through our audit program, as well as NGO engagement, we consistently determine and review the high-risk areas of our supply chain and implement steps to mitigate risk in these areas. The Cotton On Group consider its most pertinent modern slavery risks to exist in our product manufacturers, suppliers of inputs such as raw materials and components and subcontracted manufacturing processes such as printing, dyeing and finishing. Our specific countries of risk include China and Bangladesh where the majority of The Group's goods are manufactured.

Additionally, we have identified specific product risks we may face. One of these risks being the potential link to modern slavery through our supply chain because a high proportion of our products contain cotton. As described below, we have a rigorous Ethical Sourcing Program that ensures we aim to find the right suppliers who share our ethos towards sourcing quality, more sustainable fibres and materials. We ensure our suppliers are certified to the relevant globally recognised textile standards, enabling us to deliver products made with sustainable attributes while verifying the sustainability claims of our fibres and materials, from raw materials through to the final product. You can read more about our commitment to ethical sourcing in our impact report, [The Good Report](#).

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Ethical Sourcing Program

Our Ethical Sourcing Program, including our 14 Rules to Trade, was formalised in 2009 and governs the sourcing, manufacturing and supply of our products. This supplier code of conduct works to protect workers' rights, the environment, and strengthen our supplier relationships through our commitment to traceability transparency, and sustainability. Before partnering with a supplier, we make sure they understand our expectations when it comes to operating ethically, and how to adhere to our 14 Rules to Trade. We take a zero-tolerance stance on a variety of serious matters, including: forced labour, child labour and minimum wage. This is addressed in our Rules to Trade, with regular education provided to suppliers regarding our expectations. We consistently look to identify opportunities that will maximise our positive impact across the globe. We therefore concentrate our efforts on identifying and remediating modern slavery risks related to our operations and the supply chains supplying products for our customers. We recognise that modern slavery risks are not confined to our supply chain and may exist in other business relationships. We are always looking at how we may expand the scope of our Ethical Sourcing Program in the future.

Our Ethical Sourcing Team works year-round to ensure that our 14 Rules to Trade are implemented across all suppliers. There is a regular auditing program in place to help the Group achieve compliance. Further information is available below. Over the last 10 years, we have continued to build our Ethical Sourcing Program through the addition of new resources and initiatives, working closely with suppliers, industry leaders, government and NGOs to ensure our practices are reflective of industry standard.

Under our Ethical Sourcing Program, we have implemented stringent policies including the re-signing each supplier of our 14 Rules to Trade, to ensure suppliers have a clear understanding of the Group's expectations and our zero-tolerance approach to breaches. We continue to identify areas of opportunity within our supply chain to continuously educate suppliers and any other third parties we may work with. In the event a Zero-Tolerance finding is identified by an auditor, the auditor will report the issue to us within 24 hours. Corrective action plans are issued by us within 7 days. The Group will work closely with the supplier regarding whether the relationship will continue, referring to our 14 Rules of Trade and any other relevant policy in place at the time. A failure of satisfactory remediated action may lead to termination of our relationship with a supplier.

Our Supplier Disclosure list is available for public inspection at cottonongroup.com.au. This is updated from time to time to accurately reflect where our product is sourced from.

Frameworks and Policies

We have a number of internal policies to ensure we are conducting business in an ethical and transparent manner, these include:

- **Supplier Agreements:** We have signed agreements with all suppliers. . All suppliers including any subcontractors engaged by our suppliers must agree to and abide by our code of conduct.
- **Supply chain mapping and traceability:** Cotton On, and the Group more generally, has traced 100 per cent of its Tier 1 factories and have mapped our entire supply chain, including T2 (inputs processing), T3 (components) and Tier 4 (raw materials). We have achieved our 2025 target, ahead of schedule.
- **Auditing:** Our suppliers and factories are audited regularly by our audit teams on the ground, or accredited third parties in our sourcing regions, to ensure they're adhering to our 14 Rules to Trade. We have reviewed and upgraded our Ethical Sourcing Audit. This consists of questions covering safety, wages, working hours, entitlements, waste, electricity and water usage, decarbonisation plan, chemical management, facilities/amenities and factory management. It is a requirement that all suppliers disclose the details of their inputs, components and raw material factories. Our Ethical Sourcing Program is underpinned by a robust auditing, corrective action and remediation process, managed by our team in Australia and on the ground in the regions where our products are made.
- **Child Labour and Forced Labour Policy:** We have updated our Child Labour and Forced Labour Policy, including additional education for all suppliers regarding excellent hiring practices. This policy sets out our stance on modern slavery, human trafficking, child labour and forced labour and explains the response and actions in the event that instances are identified.
- **Whistleblower Policy:** We operate a whistleblower policy so that all team members know that they can raise concerns about how colleagues are being treated, or practices within our business or supply chain, without fear of reprisals.
- **Confidential Reporting Service:** We operate in-country, confidential services through hotlines and website platforms for workers to report any misconduct or concerns about human rights breaches, illegal actions, workers' rights, fair wages, health and safety, unauthorised subcontracting or bribery and corruption. Posters are displayed in all production facilities manufacturing items for the Group.
- **SEDEX Platform:** In 2018 we joined the SEDEX platform for the secure exchange of ethical sourcing data with suppliers. Tier 1 suppliers are required to complete the SEDEX registration process and share external ethical sourcing audits, non-conformances and corrective action plans. When needed, we also work with third party auditors to ensure our factories remain within their 12-month audit cycle.

- **High Risk Materials:** We strive to purchase traceable cotton and we have implemented our policy against the use of cotton from high-risk regions and have implemented traceability spot purchasing order audits through our supply chain to minimise the potential use of such materials.

Due Diligence and Monitoring

Before engaging with a new supplier, the Group conducts due diligence checks on the supplier as against our code of conduct or 14 Rules to Trade. In doing so, the Group maintains an approved supplier list and factory list, and only these suppliers may be used for any stage of production. As discussed above, this list is publicly available to ensure transparency with our customer and any other stakeholders. These due diligence checks and ethical sourcing audit assessment, which also extend to the supplier's subcontractors, and includes a review of working conditions and building safety and remuneration for all workers in line with the country's national minimum wage and local labour laws. In some instances, we also partner with third parties to conduct an independent review prior to entering into a supplier agreement. Throughout a supplier's onboard process, we also extended the approval of mutual recognition audit from other international social compliance framework. In FY23, we conducted and reviewed 586 audits across our global supply chain. In addition to the above, and as outlined in our code of conduct, we require all existing suppliers to confirm to us that:

- There is no inconsistency with the Cotton On Group code of conduct in any area of a supplier's operations, including subcontractors.
- All employees are paid at least the national minimum wage in line with local labour law/regulations applicable within their country of operation.
- We may terminate the contract at any time should any instances of modern slavery or any other zero-tolerance breach of any human rights issues come to light.

Training

We conduct internal training of our buying and sourcing teams to ensure they have a clear understanding of the Group's expectations for purchasing practices and ethical sourcing. This includes training on understanding the signs of modern slavery and what to do if they suspect any form of modern slavery is taking place within our supply chain.

To ensure a strong two-way dialogue with our production partners, we hold supplier conferences in our sourcing regions. These conferences are an opportunity to talk openly with suppliers on matters relating to ethical sourcing, while providing them with an opportunity to update us on the challenges they face and the steps they are making to ring about positive change. Once per month, the Ethical Sourcing Team hold intimate meetings between Production and a number of suppliers advising on practical application and remediation of our 14 Rules of Trade and other ethical sourcing commitments. Our Ethical Sourcing Team also raise any performance trends seen within the business.

In addition, the Group holds online training and education sessions on all areas of human rights with owners, managers and factory workers to ensure they understand the expectations to comply with our Code of Conduct and 14 Rules to Trade. Training and capacity building for team members, third party auditors and suppliers is carried out on a regular basis to maintain proactive dialogue across all stakeholders.

Corrective Action and Remediation Process

The Group provides audit training to suppliers, with reference to 14 rules of Trade. All audit reports and corrective action plans are provided to factory and supplier for improvements. Factories that have been

audited are required to return their detailed Corrective Action Plan to our Ethical Sourcing team. The in-country auditor will review and advise on findings based on the received Corrective Action Plan to suppliers on the improvement evidence and the follow-up audit. Supplier performance is rated through a supplier scorecard system. More information regarding this process is available in [The Good Report](#).

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

We have a framework in place that involves regular review of our risk assessments, policies, internal controls and due diligence practices. In combination, these Our framework of risk assessment, policies, internal controls, and due diligence are central to our approach to managing the risks of modern slavery in our supply chains. We review our policies and practices regularly to ensure that we learn from our experience and adapt to our evolving supply chain. A robust governance structure has been developed including the formation of our Sustainability Steering Committee, with advisory from an external sustainability consultant firm. This structure supports the development of strategic frameworks and objectives on how we govern our ethical sourcing and sustainability programs in accordance with the business values. The committee is made up of senior leaders from across the Group.

We monitor the effectiveness of our Ethical Sourcing Program to ensure that slavery and/or human trafficking is not taking place within our business or supply chain, through:

- Review and investigate any complaints received from employees, the public, or law enforcement agencies to indicate that modern slavery practices have been identified.
- Remediation and management reporting of breaches identified by our audit program or confidential hotlines.
- Benchmark our risk assessment process and audit programs against the industry to ensure they are relevant and up to date.
- Our Group Sustainability Steering Committee oversees the ethical sourcing strategy and framework in strict accordance with our values and ethical framework.
- Regular training and capacity building for team members, third party auditors and suppliers.
- Engagement with stakeholders to maintain a proactive dialogue on our performance.

COVID SUPPORT

Like many businesses around the world, COVID-19 challenged our business, but with our Ethical Framework guiding our every move, it's been our priority to stand side by side with our suppliers.

Our people come first in every decision the Group makes. It's no different for our suppliers and their factory workers who are an extension of our global family. COVID impacted, and continue to impact our business, and to combat this impact and changing environment, we have implemented the following measures:

- increased and ongoing communications with our suppliers, detailing the ways in which we are able to support them with all existing orders;
- expanding our Supplier Finance Program, enabling our partners in China and Bangladesh to access payment within days of an invoice being issued;
- Working closely with our partners to support them and to create a safer work environment in their factories.

In all that we do, the Group's Ethical Sourcing Program is our baseline; it's how we do business and aims to protect workers' rights and strengthen supplier relationships and commitments.

CONSULTATION

During the reporting period this statement covers, Cotton On has actively engaged and consulted with all companies we own or control in the development of this statement, overseen by our Board.

Approval for this statement

This statement was approved by the Board of Directors for COG Pty Ltd in its capacity as the parent entity of the Cotton On reporting entities on 30 December 2023.



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Peter Johnson
Chief Executive Officer - Cotton On Group