



**PREMIER  
INVESTMENTS  
LIMITED**

A.C.N. 006 727 966

# PARTNERING FOR PROGRESS

## MODERN SLAVERY STATEMENT

Reporting period: 12 months to 30th July 2022

# Reporting Entity's Introductory Statement

Premier Investments Limited (**Premier**) condemns all forms of modern slavery. Premier's global commitment to human rights involves taking a purposeful approach to tackling modern slavery risks, as further outlined in this Modern Slavery Statement.

Premier is an Australian public company listed on the Australian Securities Exchange (ASX: PMV). Premier's registered office is Level 7, 417 St Kilda Road, Melbourne, Victoria 3004 Australia.

Premier, through its 100% ownership of Just Group Limited (**Just Group**), operates a number of specialty retail brands in Australia and New Zealand. Those brands are Dotti, Jacqui E, Jay Jays, Just Jeans, Peter Alexander, Portmans and Smiggle. In addition, Smiggle has retail operations in Singapore, Malaysia, the United Kingdom and the Republic of Ireland.

# Premier's consultation process

This Modern Slavery Statement outlines the steps Premier took in the 12 months to 30 July 2022 (**Reporting Period**) to ensure that Premier, and each of its subsidiaries, assessed and addressed modern slavery risks across its supply chain. For a complete list of Premier's subsidiaries as at 30 July 2022, please refer to Premier's annual report. This statement is issued under the Modern Slavery Act 2018 in Australia, and the Modern Slavery Act 2015 in the UK.

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.

While some of Premier's subsidiaries may not be reporting entities for the purposes of the Modern Slavery Act, Premier has adopted a group-wide approach to identifying and reporting on modern slavery risks. This statement applies to all of Premier's operations and is made jointly on behalf of each of Premier's brands within the Just Group, being Just Jeans, Jay Jays, Jacqui E, Smiggle, Portmans, Dotti and Peter Alexander. 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.

This Statement was approved by the Premier board on 24 January 2023.

# Reporting criteria references

REPORTING CRITERIA	WHERE TO READ MORE
Identify the reporting entity	See above
Describe the reporting entity's structure, operations and supply chains	Page 5-7
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities owned or controlled by the reporting entity, including due diligence and remediation processes	Page 8-18
Describe how the effectiveness of such actions are assessed by the reporting entity	Page 20-21
Describe the process of consultation with any entities that the reporting entity owns or controls	See above
Provide any other information that the reporting entity considers relevant	Page 1-4, 19 and 22-23

# Acknowledgement of Country



Premier acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and communities. We pay respects to Aboriginal and Torres Strait Islander cultures and to Elders past, present and emerging.

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# Chief Executive Officer's message

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24 January 2023

Premier is committed to the highest standards, and ongoing improvement, of responsible practices across all stages of our supply chain. The most enduring impact we can have is to engage broadly, continue our strong dialogue, improve our policies and procedures and remediate for meaningful change. We seek to always listen, learn and build for improvement with all stakeholders, including our team members, customers, suppliers, government and non-government bodies. We are, in this sense, *'partnering for progress'* - the theme of our third modern slavery statement.

The last three years have been extraordinary. Our efforts to embed human rights due diligence practices required us to collectively think differently, as these efforts have occurred against a backdrop of ongoing COVID-19 impacts and supply chain disruption. Even with the disruption, we have remained committed to continuous improvement of our supply chain and upholding our respect for human rights. We remain focused on embedding delivery against our frameworks, prioritising ongoing strategic improvement in areas of high risk and remediating negative impacts where these are identified.

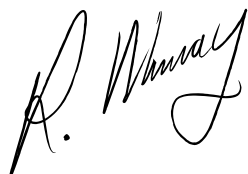
In the latest reporting period, Premier has launched a number of new initiatives, and existing practices have been strengthened. These initiatives include:

- Capacity building in our support offices in Melbourne and Bangladesh to ensure our sourcing team is able to implement best-practice compliance activities,
- The enhancement of our social compliance factory audit program,
- The launch of 'worker voice' surveys, and
- The implementation of new independent production audits to verify an absence of unauthorised subcontracting.

Further, we have strengthened our strategic partnership with Elevate Limited ([ELEVATE](#)) - a global leader in supply chain and sustainability practices. Our work with ELEVATE has driven an increasing level of transparency along with effectiveness of our ethical sourcing audit and compliance programs - through data, analysis and review.

Premier's supply chain constantly evolves, and so to must our governance practices. Our program is adaptable to meet new challenges and changing conditions.

I am pleased to share this Modern Slavery Statement to explain our work to combat all forms of modern slavery.



Richard Murray  
Chief Executive Officer  
Premier Investments Limited

# Premier's achievements in the Reporting Period

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Our enhanced Ethical Sourcing program saw an increase in supply chain due diligence beyond audit activities, as well as investment in in-house capability and training. Together, this has ensured a more nuanced analysis of human rights risks.

The following work program and achievements were completed in the Reporting Period:

## Core program: verification, audit and traceability

- In the reporting period, we commenced and made good progress on transitioning our Tier 1 international supplier primary factories to an ELEVATE Responsible Sourcing Assessment (ERSA) audit as part of our Ethical Sourcing program to ensure measurable and actionable findings. In the Reporting Period we transitioned over half of our tier 1 factories, completing 63%
- All primary factories audited by ELEVATE are now part of the Corrective Action Plan (CAP) program to ensure non-compliances are monitored and suitably addressed in a timely manner
- Our Production Verification Audit (PVA) program was rolled out further to address unauthorised subcontracting and to reinforce compliance with our Ethical Sourcing program
- Engagement has begun and progress has been made with Australian based importers to incorporate their manufacturing sites into our Ethical Sourcing program

## Building insights

- Completed the rollout of Worker Sentiment Surveys (WSS), a critical Worker Voice tool, with 44 factories across all sourcing countries being surveyed since January 2022
- Initial engagement with non-merchandise suppliers through Modern Slavery Self-Assessment Questionnaires has produced preliminary data, with further work to be completed in the next reporting period

## Living wage

- We published our first [Living Wage Position Statement](#) in June 2022
- Alongside our Living Wage Position Statement, we have published and shared our activities and commitments as we work towards a living wage

## Policies and procedures

- In collaboration with ELEVATE, we updated the terms of our Ethical Sourcing Code of Conduct to align with industry best practice
- The use of both the ELEVATE EiQ database and Sentinel technology in the Reporting Period delivered a significant upgrade in our supply chain risk assessment framework. It also ensured all ethical sourcing activities and the allocation of resources were optimised to address modern slavery risk

## Training and education

- Ethical Sourcing and Modern Slavery awareness training was delivered to 207 team members in our Australian and Bangladesh support offices
- Supplier e-learning modules launched, with 75% completion rate by suppliers of all assigned modules, with the balance to be completed in the next reporting period

## Continued engagement with industry partners

- Our partnership with ELEVATE has increased the transparency alongside the effectiveness of audit and compliance programs - through data, analysis and review
- The successful integration of Better Cotton usage across the Just Jeans brand, which has been a member since January 2021, has led to the agreed expansion of the program to include Dotti, Jay Jays, Jacqui E, Peter Alexander and Portmans in the next reporting period
- We continue our membership with the International Accord for Health and Safety in the Textile and Garment Industry. The International Accord is a successor to the Accord on Fire and Building Safety in Bangladesh
- Becoming a supporter brand of Association of Professional Social Compliance Auditors (APSCA)
- Continuing participation in non-governmental organisational research activities, and attending industry engagement activities

## Strengthening investment in in-house capability

- Building the in-house team by expanding our ethical sourcing and compliance leadership team, to drive and embed our program
- Having dedicated sourcing managers in-country to assist in the oversight of our program

# Ethical sourcing program governance framework

## Our approach

Our Ethical Sourcing program includes our modern slavery framework. Our governance approach ensures due diligence and supports consultation with brand and support functions. Furthermore, we have a dedicated and centralised Ethical Sourcing and Compliance Team to help teams embed and operationalise our program to ensure any human rights risks are identified and mitigated in our operations and supply chain.

The Ethical Sourcing program is based on the following list of internationally recognised human rights charters and principles:

- The United Nations' Universal Declaration of Human Rights;
- The International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, and Core Conventions;
- United Nations Guiding Principles on Business and Human Rights (UNGPs).

The program is in turn supported by our Code of Conduct, which recognises each of the above charters and principles.

Critical decisions around factory compliance are, from a governance perspective, completely independent of everyday commercial decisions made by our product teams. This means product teams, in their day-to-day dealings with suppliers, cannot work outside of the framework and principles of our Ethical Sourcing program.

## Our internal governance framework



## Our external governance framework















Our external governance framework in relation to our indirect operations through our international supplier network includes our risk monitoring, due diligence and remediation programs. Key pillars are set out in Table 1 below:






**Table 1**

Engagement Point	Supported by	Governance leads	Overview
Policies & contractual governance	Merchandise supply terms and conditions, Ethical Sourcing Code of Conduct, Key Principles of Ethical Business Conduct	Ethical Sourcing team, Group Executives and Legal	Our package of contractual terms and conditions, supported by our policies, are one part of our external governance framework. However we recognise that policies must be supplemented and supported by other mechanisms as explained below.
Risk assessment	EiQ risk platform	Ethical Sourcing team	EiQ draws on proprietary audit data and publicly available risk indices to segment risk in our supply chain.
	Sentinel technology		Sentinel is a web-based analytics tool that provides real-time alerts on factory labour, health and safety, environment, business ethics, sanctions, customs and management system breaches.
Audit & risk monitoring	Elevate Responsible Sourcing Assessment (ERSA)	Ethical Sourcing team, including our teams in-country in relation to production verification	An ERSA is a globally recognised audit type that has a heightened focus on human rights and transparency. The ERSA audit covers the following areas: transparency & business integrity, management systems, hiring, disciplinary & termination, child labour, forced labour and migrant workers, harassment or abuse, discrimination, freedom of association and grievance, wages and benefits, hours of work, health & safety, environment, subcontracting and home-work.
	Production Verification		Our PVA program identifies unauthorised subcontracting in locations where we do not have team members in-country. Additionally to PVAs, our team members in-country also conduct product inspections.
Remediation & corrective action	Corrective Action Plan (CAP) monitoring and service	Ethical Sourcing team, Group Executives and Legal	The CAP service ensures any audit non-compliances are monitored and remedied in a timely manner.
Listening & grievance mechanisms	Worker Sentiment Surveys (WSS)	RMG Sustainability Council (RSC) in Bangladesh;	WSS are anonymous and are designed to allow workers to speak freely on grievance matters, wages and working hours, workplace wellbeing, environment, health and safety and productivity and stability.
	Worker Help Line	in other markets the Just Group will deploy a help line in all sites	The Worker Help Line is a further grievance channel for workers to report issues.
Training & education	Supplier training	Ethical Sourcing team	Supplier e-learning modules support upskilling of suppliers in relation to human rights issues in the supply chain.
	Targeted remediation training		Targeted training is aimed at ensuring suppliers have sufficient remediation plans in place to capture any issues that arise from our audit activities.

# Premier's structure, operations and supply chains

Our business includes our seven retail brands supported by our leading sourcing and operational capabilities and our 10,000+ valued team members.

	
<p>Peter Alexander is Australia's leading lifestyle brand offering luxurious designer sleepwear, loungewear, footwear and gifts.</p>	
	
<p>Smiggle is a school and lifestyle brand, creating innovative and fun products to support a child's educational journey.</p>	
	
<p>Just Jeans offers on trend denim and casual wear.</p>	
	
<p>Portmans is the destination for desk-to-dinner fashion.</p>	
	
<p>Dotti is the on-trend fashion destination for casual wear and special occasions.</p>	
	
<p>Jay Jays is inspired by youth culture, street wear, fashion trends and a care-free lifestyle.</p>	
	
<p>Jacqui E offers smart workwear and versatile casual wear for any occasion.</p>	

Sourcing		Operations		
Product for resale	Non-merchandise goods and services	Support Offices	Stores	Distribution Centres
				
<p>Our seven brands work with international suppliers with factories located in China, Bangladesh, Pakistan, Vietnam, India and Taiwan to manufacture apparel, accessories and general merchandise for resale.</p>	<p>We partner with key non-merchandise goods and service providers to support our core operations, including:</p> <ul style="list-style-type: none"> <li>• Freight and logistics</li> <li>• Information technology</li> <li>• Labour hire</li> <li>• Financial services, such as banking and insurance services</li> <li>• Property services</li> <li>• Creative services, such as advertising and marketing</li> </ul>	<p>Five offices located in:</p> <ul style="list-style-type: none"> <li>• Australia</li> <li>• New Zealand</li> <li>• Bangladesh</li> <li>• Singapore</li> <li>• United Kingdom</li> </ul>	<p>Over 1,150 stores and online channels across:</p> <ul style="list-style-type: none"> <li>• Australia</li> <li>• New Zealand</li> <li>• Singapore</li> <li>• Malaysia</li> <li>• United Kingdom</li> <li>• Republic of Ireland</li> </ul> <p>Stores by retail brand:</p> <ul style="list-style-type: none"> <li>• Dotti: 105</li> <li>• Jacqui E: 95</li> <li>• Jay Jays: 199</li> <li>• Just Jeans: 235</li> <li>• Peter Alexander: 122</li> <li>• Portmans: 91</li> <li>• Smiggle: 306</li> </ul>	<p>Distribution centres operated by Premier, located in:</p> <ul style="list-style-type: none"> <li>• Australia</li> <li>• New Zealand</li> </ul> <p>Additional two distribution centres operated by third party logistics partners located in:</p> <ul style="list-style-type: none"> <li>• Singapore</li> <li>• United Kingdom</li> </ul> <p>We ship tens of millions of units of product annually from our valued suppliers to our six retail markets and online channels.</p>
<p>We also work with a number of importers and buy products from a range of national brands.</p>				
<p>Retail \$ spend % split:</p> <ul style="list-style-type: none"> <li>• International suppliers: 67%</li> <li>• Importers: 23%</li> <li>• National brands: 10%</li> </ul>				



## Premier's direct operations

The majority of Premier's team members are directly employed through the Just Group, with terms and conditions set out in employment contracts governed by employment laws and industrial instruments of the relevant country. This includes our teams located outside of Australia. Within the Reporting Period, Premier employed over 10,000 team members across our support offices, distribution centres and store teams, on either a full time, part time, casual or contractor basis.

We consider that the risk of modern slavery in our directly employed team members is low. Strong policies, team member training, accessible grievance mechanisms and ongoing monitoring are key program controls we use to assess and mitigate the risk of modern slavery in our operations.

Premier has continued to improve its robust framework that clearly defines the expectations and rights of our team members and available grievance mechanisms, as set out in Table 2.

**Table 2**

<b>Employment terms</b>	Written and signed agreements that clearly articulate individual team member obligations and rights in the scope of their role including pay and conditions, reviews, grievance mechanisms and requiring supporting verification of information (i.e. age, proof that they are eligible to operate machinery). In addition, we recognise the importance of freedom of association and acknowledge team members have the right to collectively negotiate.
<b>Code of Conduct</b>	Clearly articulated expectations for team members and contractors behaviour. References all parts of our framework including compliance and grievance mechanisms.
<b>Working rights</b>	Compliance with all local laws ensuring team members' legal working rights.
<b>Policies and training</b>	Just Group has a number of policies and resources that are shared and also delivered through regular training and education programs to assist teams and promote compliance. Subject areas covered in our training include workplace behaviour, health and well-being, team safety, ethical sourcing and anti-bribery and corruption.
<b>Listening &amp; grievance mechanisms</b>	Just Group has an internal People Support helpline set up for team members to access if they require a grievance channel. All grievances are treated seriously, sympathetically and confidentially and, where we consider it necessary, will be investigated thoroughly and impartially.
<b>Audit &amp; verification</b>	Monthly audit of applicable team members to ensure team members are paid in full compliance with and verified against the Just Group Retail Agreement.

## Premier's indirect operations

Premier's indirect operations include sourcing product for resale and procuring non-merchandise goods and services. Premier's supply chains are complex and there is less visibility in our indirect operations, which creates greater modern slavery risks. The inherently higher risk has seen us further prioritise and strengthen the assessment and due diligence of our ethical sourcing program. Premier employs a risk-based supplier segmentation to drive due diligence requirements, as set out in Table 3.

Our Program for our indirect operations includes three key areas through which we manage key human and labour rights risks in our supply chain:

- trade supply chain (product for sale) including a risk based supplier segmentation approach;
- non-trade supply chain: including supplier engagement for non-trade procurement (i.e. goods not for resale or services);
- bespoke and targeted risk-based due diligence: focuses on industry and country specific modern slavery due diligence in extreme risk areas, including supplier capability, advocacy and industry memberships.

Suppliers of vendor branded goods and services are required to have established arrangements and processes which are consistent with our commitment to responsible sourcing and upholding human rights.

Our external governance framework was summarised above in Table 1.

In Table 3 below we set out how we segment risk between our primary and secondary factories, in order to drive our due diligence and other governance requirements.

Table 3

<u>Risk-based engagement framework (tier 1 international suppliers)</u>			
Nature of Supplier Relationship	Primary	Secondary	Introduced in FY22
Purchases threshold	>US\$100K	<US\$100K	
Number of factories <sup>^</sup>	181	68	
% of Just Group purchases <sup>^</sup>	97.5%	2.5%	
<u>Engagement point</u>			
Policies & contractual governance			
Sign Just Group Supplier Ethical Code of Conduct	✓	✓	
Developed Key Principles of Ethical Business Conduct	✓	✓	✓
Sign Terms & Conditions (including Modern Slavery declaration)	✓	✓	
Risk assessment			
Monitored via ELEVATE EiQ risk platform	✓	✓	✓
Monitored via ELEVATE Sentinel technology	✓	✓	✓
Audit & risk monitoring			
Participation in mutual recognition audit program*	✓	✓	
Participation in Premier audit program	✓		✓
Participation in monitoring for unauthorised subcontracting program (PVAs / in person production inspection by the Just Group team)	✓	✓	
Remediation & corrective actions			
Participation in mutual recognition Corrective Action Plan (CAP) monitoring*	✓	✓	
Participation in CAP service	✓		✓
Listening & grievance mechanisms			
Participation in Anonymous Worker Sentiment Surveys**	✓	✓	✓
Access to worker Help Line***	✓	✓	✓
Training & education			
Offered modern slavery training	✓	✓	
Participation in targeted remediation training (eg. anti-bribery)	✓	✓	✓

<sup>^</sup> As at 30/07/2022

\* All secondary factories. For primary factories, where initial conditional approval is given prior to audit.

\*\* Able to deploy for all. Participation is risk assessment driven.

\*\*\* See page 15 for further information on rollout to all factories.

# Risks of modern slavery in Premier's operations & supply chains

## Introduction

Premier actively monitors the risk of modern slavery occurring in its operations and supply chains through a combination of third party assessments and audits, team listening and grievance mechanisms, industry insights and media as well as internal assessments including site visits. The combination of these activities helps identify the most material inherent human rights risks within the risk profile of our group.

We support and endorse the UNGPs on Business and Human Rights which are also referenced in the Australian Government's 'Guidance for Reporting Entities'<sup>1</sup>. The framework outlines key considerations businesses should observe in their operations to assess, address and mitigate the risks of modern slavery in their supply chains. Business' impact can be explained through the 'cause', 'contribute', 'directly linked' continuum<sup>2</sup>, outlined in Table 4.

In the Reporting Period, two key program partner tools, being ELEVATE's EiQ platform and Sentinel technology have been added to our program. The EiQ draws on ELEVATE proprietary audit data together with publicly available risk indices to segment risk in our supply chain. Using this information, risk ratings are given to regions and products based on inherent risk and further civil society indices.

Sentinel is a web-based analytics tool that provides real-time alerts on factory labour, health and safety, environment, business ethics, sanctions, customs and management system breaches. The tool scrapes the web via social media, news articles and government websites to pick up any incident which involves Premier suppliers and factories.

Using the EiQ metrics we have identified risks associated with our operations and supply chains, which are assessed through the country, activity and category (outlined in Tables 5 and 6).

In Tables 5 and 6, we have also included the overall country risk which includes both civil society and supply chain risk data. The 'human rights risks exposure' column highlights the key labour rights issues linked to each country Premier conducts business in. In some cases the human rights risk may be less or more severe based on sourcing product or operational activities.

Any activity that is not owned by Premier (for example, factories manufacturing our products, or shipping and freight forwarding operations) naturally presents a higher modern slavery risk.

Our program therefore recognises that contractual mechanisms, robust training, communications and compliance monitoring are together an important part of risk identification and mitigation.

## Risk assessment tools

Table 4

	Risks which may cause modern slavery practices	Risks which may contribute to modern slavery practices	Risks which may be directly linked to modern slavery practices
Description	Operational risks that may directly result in modern slavery	Operational risks and/or actions in supply chains that may contribute to modern slavery. This includes acts or omissions that may facilitate or incentivise modern slavery	Operational risks, products or services that may be connected to modern slavery through third parties with whom one transacts
Remediation	An adverse impact is caused in relation to human rights, with an expectation that impact should cease, be prevented, and remediated	Through contributing to a human rights breach, it is expected to cease, prevent and remedy the impact(s) to the extent of the contribution. It is also expected to exercise leverage over the supplier to mitigate any remaining impact	There is a direct link to the human rights breach and therefore leverage should be used or sought to mitigate the adverse impact

<sup>1</sup> Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities, Department of Home Affairs

<sup>2</sup> Practical Definitions of Cause, Contribute, and Directly Linked to Inform Business Respect for Human Rights, Debevoise & Plimpton, 2017

Table 5

2022 Risk assessment - Premier's direct operations			
Country	Overall country risk	Human rights risk exposure	Category
Australia	LOW	Migrant workers, freedom of association, excessive working hours	Support office, stores & distribution centres
New Zealand	LOW	Migrant workers, harassment and abuse	Support office, stores & distribution centres
United Kingdom	LOW	Domestic migrant workers, freedom of association, harassment and abuse	Support office, stores & 3PL partner
Ireland	LOW	Migrant workers, freedom of association, excessive working hours	Stores
Singapore	LOW	Migrant workers, freedom of association, harassment and abuse	Support office, stores & 3PL partner
Bangladesh	HIGH*	Excessive working hours, freedom of association	Support office
Malaysia	HIGH*	Migrant workers, freedom of association	Stores

\* Whilst Bangladesh and Malaysia are considered high risk at an overall supply chain and civil society level, based on our own support office operations in Bangladesh and store operations in Malaysia, Premier does not consider our risk exposure the same as that of other industries. Whereas we directly employ all Bangladesh support office and Malaysian store team members, and therefore ensure all team members legal employment rights are protected.

Premier does not own, operate or control any of the factories from which it sources finished goods. There is therefore a risk of modern slavery practices in those factories, as outlined in Table 6. We recognise our responsibility to engage and embed our comprehensive Ethical Sourcing strategy and framework to mitigate the below and other human rights risks throughout the supply chain.

Table 6

2022 Risk assessment - Premier's indirect operations			
Country	Overall country risk	Human rights risk exposure	Category
China	HIGH	Excessive working hours, forced labour, freedom of association, raw materials	Apparel, accessories, footwear and general merchandise
Bangladesh	HIGH	Excessive working hours, harassment and abuse	Apparel
Pakistan	HIGH	Forced labour, migrant workers, freedom of association	Apparel
Vietnam	HIGH	Excessive working hours, freedom of association, harassment and abuse	Apparel
India	HIGH	Forced labour, harassment and abuse	Apparel and accessories
Taiwan	MEDIUM	Forced labour, migrant workers	General merchandise

Risk Key	LOW	MEDIUM	HIGH	EXTREME
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# Actions taken to assess and address modern slavery risks in Premier's operations and supply chains

## Traceability

Traceability and transparency are a fundamental part of assessing our supply chain risk. Premier's approach to traceability has always been to prioritise where the risk of modern slavery is greatest. For this reason Premier sees the high labour component of apparel manufacturing and raw materials as its priority in terms of mapping and then implementation of its Ethical Sourcing program.

To date, our mapping and tracing of our supply chain has progressed well, which is detailed in Table 7.

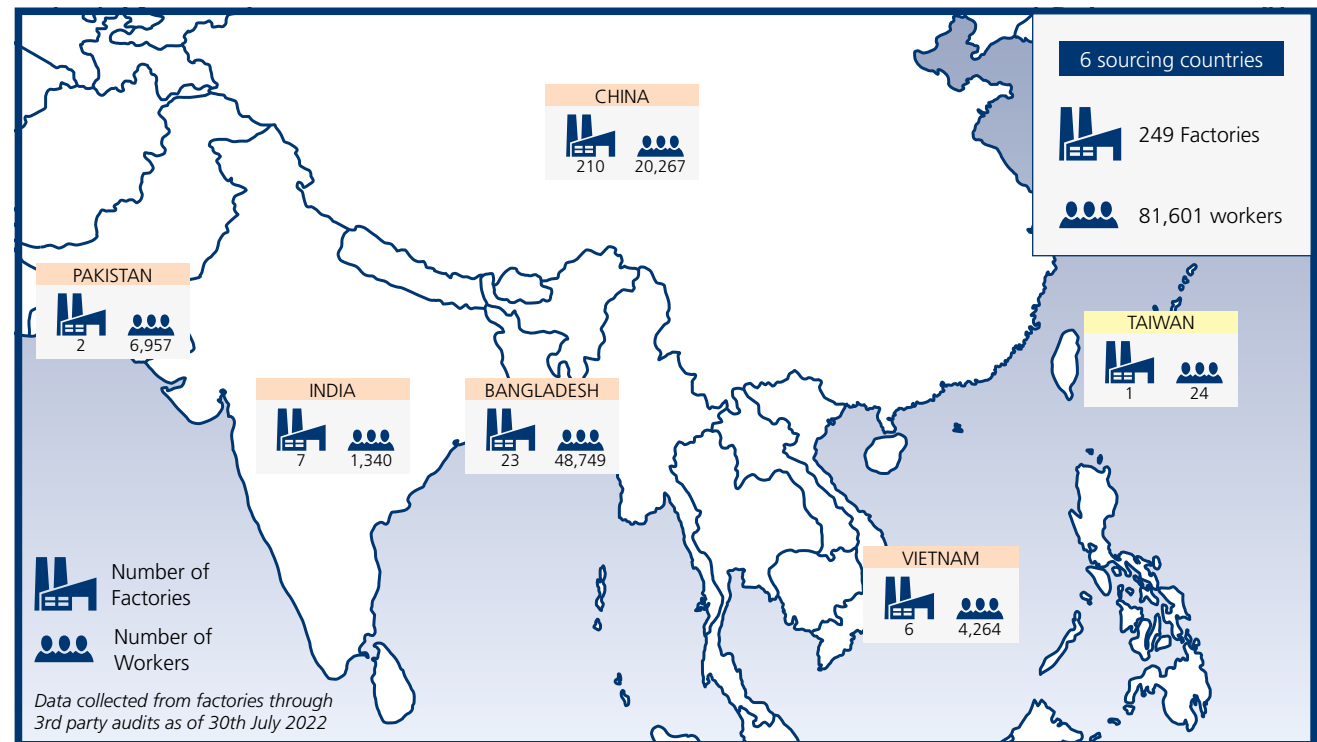
Table 7

Production tier	Risks	Mapping & traceability - international suppliers	Mapping & traceability - importers
Finished goods / Final stage production (Tier 1)	HIGH	Complete	Partial
Fabric, trims and componentry (Tier 2)	HIGH	Partial	Mapping program in development
Raw materials (Tier 3)	EXTREME	Partial	Mapping program in development

## Premier's tier 1 suppliers

Premier is proud to partner with an experienced range of suppliers with factories in China, Bangladesh, Vietnam, India, Pakistan and Taiwan. In the map, we highlight the locations and number of factories we partner with along with the total number of workers at those sites. We partner with many different sized factories and have no exclusive arrangement with any, meaning the factory teams also manufacture for other businesses. We have also defined the EiQ risk rating for each of the countries where our products are manufactured. All potential new production markets are assessed before deciding whether to source from that market.

Within the Reporting Period, we also began engaging with key importers to onboard their factories to our Ethical Sourcing program in a phased approach.



## Living Wage

During the Reporting Period, we published our Living Wage Position Statement (June 2022). Our work activities include responsible purchasing practices training and increasing open cost breakdowns in supplier negotiations. Our case study elaborates our preliminary work on this important initiative.

Our Living Wage Position Statement is available at this [link](#).

## Policies & procedures

Our Ethical Sourcing program has seen material changes in policy such as the redrafting of our Code of Conduct and the creation of our Key Principles of Ethical Business Conduct, which we launched after the Reporting Period. The Code of Conduct for example, saw the inclusion of a commitment to working alongside suppliers and global partners in closing the living wage gap.

A fundamental requirement is that factories fully and transparently engage and provide full disclosure in relation to all aspects of our program. Our Ethical Sourcing program provides governance for how we manage social compliance and suppliers are segmented into risk categories. Put simply, the greater risk, the more controls.

Our program is not intended to be “pass or fail” but rather a program of continuous improvement. Suppliers and factories should therefore embrace the opportunity to be assessed fairly and understand that together we will always seek to work collaboratively to drive improvement. From time to time, where we are unable to mutually resolve a non-compliance, particularly if zero tolerance or critical, we need to escalate for action which may include ceasing business together.

### Case study: Preliminary work in understanding Living Wages

As Premier does not own factories and often our orders represent only a small proportion of a factory's turnover, effective change requires collaboration and commitment from multiple parties including suppliers, NGOs, unions and industry peers.

There is no single agreed definition of what a living wage is. However, Premier, along with other peers in the fashion industry, supports the Global Living Wage Coalition's (GLWC) definition:

“The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker's family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.”

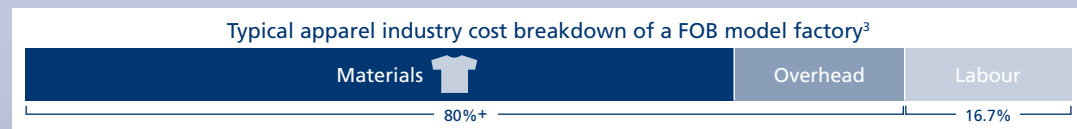
Premier acknowledges that the larger the gap between the wages factory workers receive and the GLWC's estimate of a living wage, the greater the risk of modern slavery indicators in a supply chain.

In the Reporting Period, Premier released a Living Wage statement along with a number of activities to support our objectives to address this challenge. Although our Ethical Sourcing program already has a strong focus on labour rights, including working hours and the payment of legal wages, this was Premier's first public statement on this important topic. We see this as a critical step in our roadmap as we continue to strive to close the gap between minimum legal wage and a living wage.

#### Understanding product cost

The foundation for the work required to help bring about change in this area was put in place several years ago with the introduction of a fact-based negotiation approach to our price discussions, including introduction of open cost breakdown tools with suppliers.

The transparency of open costs enables us to assess across suppliers all elements of the product and for buyers to focus on the right negotiation points. The important point is that over 80% of the cost of a typical apparel garment consists of materials (around 2/3 of the cost) and overhead (around 1/6th of the cost) and this is therefore the focus in negotiations.



#### Responsible purchasing practices and labour costs

A key component of Responsible Purchasing Practices (RPP) is the concept of “ring-fencing” labour costs to ensure that negotiations are not negatively impacting worker wages.

Once we had developed and established the practice of sharing and reviewing open costs with suppliers it was a logical next step to ensure the wage line was protected to safeguard worker income. With this in mind we are continuing to evolve our costing tools and approach. We expect to complete the rollout to all brands by the end of the next reporting period.

#### Understanding the challenge – data and analysis

The foundation of our factory audit program is transparency, cooperation and continuous improvement. The nature of the program with an enhanced focus on integrity has enabled us to collect a large volume of accurate and credible wage data across our supply base.

This coupled with our “Worker Voice” tools, worker sentiment surveys and an independent grievance mechanism or helpline (full rollout due in the next reporting period) will ensure we continue to capture and monitor key metrics relating to workers' wages.

Once we have sufficient data and reliable reporting channels, we intend to finalise the scope of a wage gap analysis by the end of the next reporting period for implementation and reporting in Premier's 2024 financial year.

<sup>3</sup> COVID-19 guide & action checklist for garment factories & managers, International Labour Organization, 2020

## Supplier onboarding

An updated onboarding process is in place for all new supplier and factory approvals. This process includes the following non-negotiable steps before a supplier number can be issued to proceed:

- 1) Review by the Ethical Sourcing team of a valid factory social compliance audit conducted by a member firm of the Association of Professional Social Compliance Auditors (APSCA) that has been conducted within the past 12 months. An ERSA is required for all factories for any supplier that exceeds US\$100k in spend by the Just Group annually.
- 2) Approval by the Ethical Sourcing team is required in writing before the accounts registration team can create a supplier number in the system.
- 3) A face to face review and acknowledgement of the Just Group's Key Principles of Ethical Business Conduct.
- 4) Signing of our Code of Conduct.
- 5) Signing of our Modern Slavery Commitment.
- 6) Signing of our Terms and Conditions.

## Risk assessment

ELEVATE's EiQ system draws on ELEVATE proprietary audit data together with publicly available risk indices to segment risk in our supply chain.

We also utilise the Sentinel technology to ensure we are aware of key supply chain risks or customs sanctions related to the suppliers and factories we work with. By having our tier 1 factory list uploaded to the EiQ platform, Sentinel is able to generate alerts that arise specifically for our supply chain.

In the Reporting Period the Sentinel technology alerted us to one incident related to one of our tier 1 factories. Details are included in Table 8.

Table 8

Country of factory	Risk rating	Incident	Action taken by the Just Group
China	HIGH	Fire safety - partially blocked fire evacuation paths	This factory was audited in January 2022, where it was also highlighted that 3 out of 15 aisles were partially blocked by equipment, presenting a safety hazard. After taking part in the CAP service in March 2022, the factory was able to correct the issue by clearing the blockage. The factory assigned a health & safety representative to regularly monitor fire safety and to ensure all aisles remain unblocked. ELEVATE reviewed and verified the corrective actions that the factory submitted, to close the non-compliance.

## Audit & risk monitoring

In the Reporting Period, Premier has moved away from accepting mutual recognition audits, to a dedicated and fully owned audit program partnering with ELEVATE for 97.5% of our group purchases. Our audit results have provided far greater depth of insight and transparency which we are now able to plan into our future program of work.

As a key pillar of the Premier Ethical Sourcing program, we have strengthened our social compliance audit requirements, to ensure we are gaining an accurate understanding of a factory's compliance level, whilst also verifying that tier 1 factories are complying with the Code of Conduct.

The scope of our audit program includes all international tier 1 (final stage production) factories that manufacture for the Just Group brands. Our tier 1 factories are segmented into two categories:

- Primary factories = 97.5% of our annual purchases with international suppliers (includes suppliers that we spend >US\$100K)
- Secondary factories = 2.5% of our annual purchases with international suppliers (includes suppliers that we spend <US\$100K)

## Primary factory compliance

Requirements for both factory categories capture the necessary data we require to identify and monitor our risk associated with modern slavery. We have invested further resources into the audit requirements for our primary factories. The audit requirement for primary factories includes sites going through an ERSA, which is a globally recognised audit type that has a heightened focus on human rights and transparency.

The ERSA audit reports provide an in-depth assessment of a factory's compliance level, so we can make informed decisions about necessary remediation and capacity building based on an assessment of the following five key pillars:



## Secondary factory compliance

To capture an understanding of our secondary factories' compliance level, Premier accepts what is commonly referred to as a mutual recognition social compliance audit, for example; SMETA, BSCI, WRAP. These third party audits that have been commissioned by another customer or the supplier, are reviewed by the Ethical Sourcing team and approved in line with our Code of Conduct. Mutual recognition audits must be conducted by an APSCA member firm.

## Working with our licence partners

We partner with a number of licensors and it is always our preference that the factories used to manufacture the licenced product undergo an ERSA. In the cases where licensors have their own audit requirements in place, we will align with their preferred audit type, however the assessment must still be conducted by ELEVATE.

## Remediation & corrective actions

After a factory completes an ERSA, a corrective action plan (CAP) is issued to the factory management and our Ethical Sourcing Team, which details any non-compliances that the auditor identified during the audit, as well as recommendations for correction. To ensure our primary factories are supported throughout the CAP process, we have invested in the CAP service. This service offers support directly to the factory in remediating and closing non-compliances and runs for 90 days. The benefit of third party verification is that it provides us, and our licence partners, with the assurance that issues have been addressed adequately and transparently.

The key elements of the CAP service include:

- Providing factories with appropriate tools to identify the root cause of a non-compliance
- Providing feedback to factories on planned corrective actions, and offering improvements where necessary
- Assigning factories with e-learning modules, specific to the findings identified in their audit. These modules are designed so the factories can take their learnings and apply them throughout the CAP process
- Reviewing CAP evidence submitted by the factory and verifying when non-compliances have been closed
- For non-compliances that cannot be closed within 90 days, provide suggested guidance on how to monitor

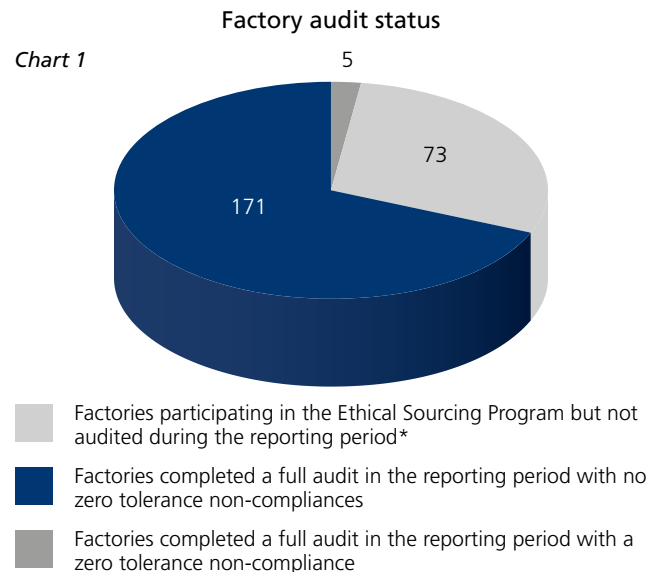
the issue overtime and create a realistic CAP so the non-compliance is improved by the next audit cycle

Any non-compliances identified in our factories are closely monitored by our internal team and if a zero tolerance issue is identified in an ERSA assessment, Premier is notified within 24 hours. The remediation process of all zero tolerance and critical issues are managed by our Ethical Sourcing Team and escalated to the General Manager of Sourcing, to support the process of engaging with the necessary suppliers and factories on the identified issue.

Premier is committed to working with all suppliers and factories to remediate issues where possible.

## Social compliance audit findings

Within the reporting period, social compliance audits were conducted for primary and secondary factories. Out of the total factories audited as illustrated in Chart 1, five reported a zero tolerance non-compliance. These findings included incidents of attempted bribery and unauthorised subcontracting. Three out of the five factories with zero tolerance non-compliances have been exited, one site has satisfactorily closed the non-compliance and remediation steps with the fifth site are in place.



\* The updated Ethical Sourcing program commenced October 1st 2021, therefore not all sites have transitioned to updated requirements



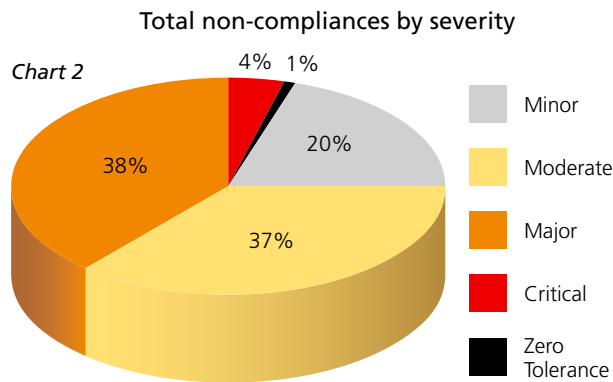
## Audit findings for primary factories

Through our partnership with ELEVATE, we completed 118 audits in the Reporting Period, which includes both full and follow up audits.

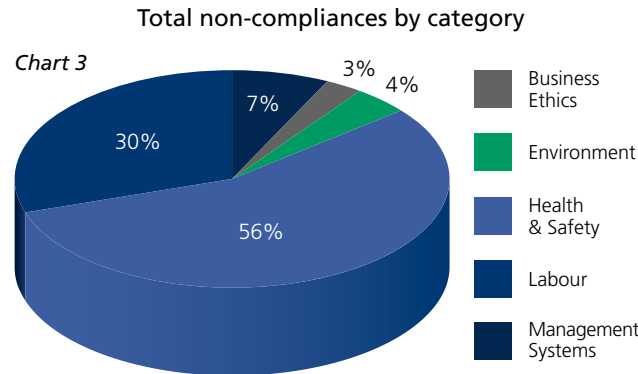
The audit prioritises human rights and transparency on a risk segmented approach. All audits that have zero tolerance or critical non-compliances are the most extreme, and require urgent remediation. Major, moderate and minor non-compliances are addressed during the audit cycle and as part of the CAP service. Factories were also assessed on their level of transparency, in sharing all required worker hours and wages records with the audit firm. It was found that 17% of audited factories were not transparent in terms of information and record sharing, and were required to be re-audited.

Overall, the results in the Reporting Period reflect the key areas of improvement in our industry sector, which exist across our product supply chain. Our audit program enables us to build focus into our ongoing program and to target our efforts.

The audit results are summarised in Chart 2 and 3.

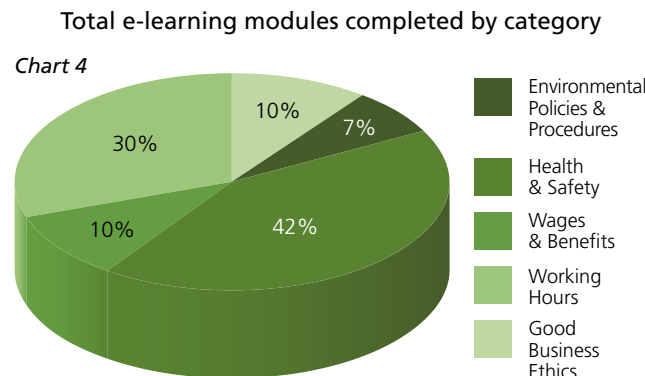


Severity Rating	Example of non-compliance
Minor	No date stamp on fire drill photos
Moderate	Faulty exit sign
Major	No needle guards on sewing machines
Critical	Lack of transparency of worker hours and wage records
Zero Tolerance	Unauthorised subcontracting



## Corrective Action Plan (CAP) service for primary factories

After an audit is completed by ELEVATE, all factories are assigned three e-learning modules to reinforce and increase awareness. In addition to a module on how to work through a corrective action plan, factories are assigned two other modules based on their respective priority areas. In the Reporting Period, 75% of all factories audited by ELEVATE completed all three assigned modules. Chart 4 summarises the modules that were completed by our factories.

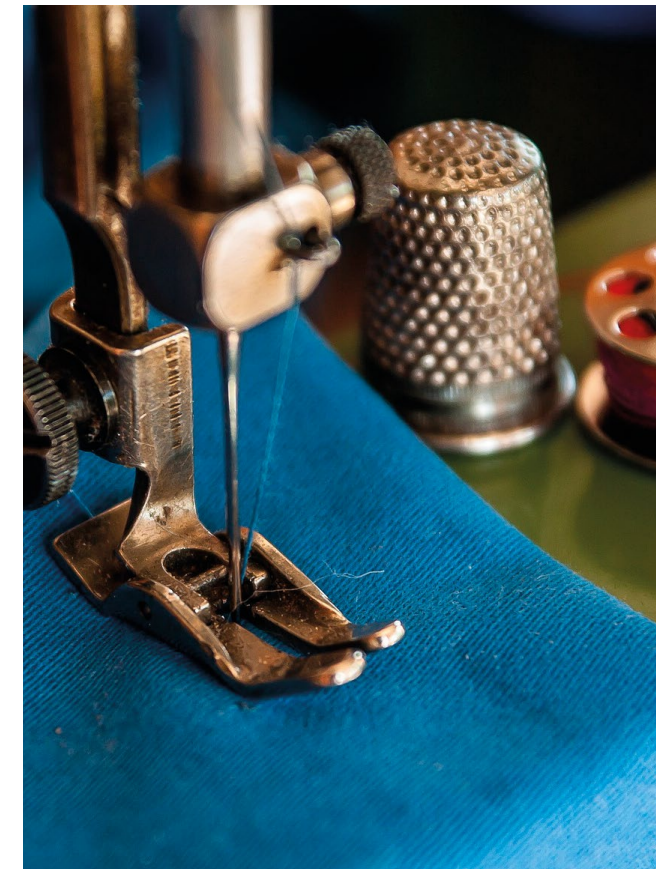


Our independent audit activities throughout the Reporting Period have provided greater confidence that we are deploying an audit standard in our primary factories that is able to identify key issues that are present at the sites. This supports our aim to be part of lifting factory and industry standards, and to drive continuous improvement.

## Mutual recognition audit activities for secondary factories

Throughout the Reporting Period we continued to work with our secondary factories to update their annual audit cycles. This included 62 sites, which comprise 2.5% of our group purchases, undergoing mutual recognition audits conducted by APSCA member firms. The audit types accepted included SMETA 2 pillar, SMETA 4 pillar, BSCI, WRAP and ICTI. Through reviewing these audits, no zero tolerance or critical non-compliances were identified.

In the next reporting period we will continue to work with our international factories to deploy our audit program requirements and to ensure we are regularly monitoring that our sites comply with the Code of Conduct.



## Listening & grievance mechanisms

Empowering and understanding the worker experience in the factories we operate in is essential to ensure we are contributing to safe working environments that are free from harassment and discrimination.

In the Reporting Period, we recognised that several tools were required to ensure we build a better understanding of worker sentiment that cannot be understood and acted upon in traditional compliance programs.

By embedding a more considered “bottom up approach” directly with the workers, we aim to identify which factories need to be engaged with more closely, to remediate issues identified and to proactively mitigate risks in the future.

In the next reporting period, as we continue to roll out our program, we will have data insights to share key themes, trends and actions.

### Anonymous Worker Sentiment Surveys

The Just Group has implemented Worker Sentiment Surveys (WSS) through our strategic partner ELEVATE. This tool is designed to allow workers to speak more freely and openly than in traditional audits as they cannot be identified by management, nor can their responses. The intent therefore is to provide an additional avenue of insight in relation to human rights issues, through direct worker engagement.






The voluntary questionnaire has 17 questions over five ‘dimensions’ which are presented in the worker’s local language. Depending on the worker’s literacy levels, surveys are deployed digitally through a scannable QR code, completed in a written format or over a phone call.

A progressive rollout has been undertaken dependent on the inherent risk of factories across China and Bangladesh. All sites in Pakistan, India and Vietnam will have surveys conducted. In all cases, factories were given a 2-4 week window over which the survey would be conducted.

In the Reporting Period, we implemented our worker sentiment surveys from January 2022 onwards. We completed surveys across 44 factories in all sourcing countries covering a sample of a combined work force of 31,000 workers. This accounts for 18% of our tier 1 international factory sites.

Our survey results are set out in Table 9, based on a scale of 0 to 10, where 10 is favourable. To date, scores have been more favourable than expected, although we continue to draw insights from key themes including poor supervisor behaviour, excessive working hours and an absence of trusted grievance channels.

Table 9

Dimensions of the Worker Sentiment Surveys						
	Score (0-10)	Grievance Mechanism 	Wages & Working Hours 	Workplace Wellbeing 	Environment, Health & Safety 	Productivity & Stability 
China	8.86	8.99	8.87	9.06	8.78	8.60
Bangladesh	8.70	8.74	9.08	8.88	8.77	8.04
Vietnam	8.14	8.26	7.87	8.50	8.34	7.71
Pakistan	9.03	9.46	8.81	9.31	8.85	8.71
India	8.00	7.79	8.43	8.34	7.94	7.50



## Worker Grievance Channel

We are fully committed to facilitating and creating trusted channels that workers feel safe to raise grievances outside of traditional routes such as suggestion boxes. A fundamental part of our Ethical Sourcing program is to provide an external helpline so that workers have the assurance that their concerns will be received, investigated and remediated transparently, fairly and anonymously.

Our testing phase in the Reporting Period identified some opportunities in accessing the service which delayed the rollout. Working with ELEVATE, we have improved the solution enabling calls to be triaged in local offices and a web portal to also be available. The full rollout will be completed in the next reporting period and we look forward to sharing our data insights in our next Modern Slavery Statement.

## Monitoring for unauthorised subcontracting

Premier is committed to building and maintaining strong relationships with all suppliers, to ensure communication remains open and fully transparent. We recognise that we are still exposed to the risk of potential unauthorised subcontracting and have taken action to implement a process to verify the actual production location of orders.

In the Reporting Period we continued strengthening our due diligence through the Production Verification Audit (PVA) program. As the key pillar of our ethical sourcing program, verifying production records ensures we are deploying social compliance audits, Worker Sentiment Surveys and a helpline in the correct factories.

## Production Verification Audits

In partnership with ELEVATE, we have implemented our PVA program to identify any risks of unauthorised subcontracting. This type of assessment has been chosen for deployment in locations where we do not have in-country team members checking production on a regular basis.

A PVA allows our audit firm to retrospectively review Premier production records at factories to verify that product was manufactured in the tier 1 approved factory that we have on record.

The in-scope processes of a PVA include:

- Cutting, sewing, pressing, dry processing (denim), pressing/finishing
- Packing of final product
- Warehousing of finished product

A number of factory data points are collected during the production process at a product style level. This enables PVAs to be undertaken with a high level of accuracy.

We have communicated to all suppliers that they are in scope for a PVA and they are fully aware that this audit can be conducted at any time. In the Reporting Period we have conducted PVAs in a sample of strategic tier 1 factories across China and Vietnam. We conducted PVAs at 25 tier 1 factories in China and Vietnam, across all of our apparel brands.

One incident of unauthorised subcontracting was identified through a PVA. As a result, we responsibly exited the supplier having sought supplier remediation in the first instance.

## Production inspections by our teams in-country

Additionally to PVAs, throughout the Reporting Period our teams in-country conduct product inspections. This includes our in-house quality assurance specialists supporting our Bangladesh and China operations on a nominated basis.

For example, our Bangladesh team verified production at all active Bangladesh sites in the Reporting Period and inspecting 80% of total orders from our Bangladesh suppliers.

No cases of unauthorised subcontracting were identified through our in house production inspections.



## Further due diligence and traceability beyond tier 1

As detailed so far in this report, Premier has a risk segmented approach to how we address modern slavery in our supply chain with tier 1 a primary focus which represents final stage production. However, we also recognise the importance of conducting the necessary due diligence at the sites used further down the supply chain, ie: tier 2 and tier 3.

The Just Group has direct tier 2 relationships with some nominated fabric mills which is in scope for the next reporting period for expanded traceability and due diligence work along with further tier 2 mapping.

### Tier 2 - Fabric, components and trims

The Just Group's brands source materials and trims from a range of tier 2 factories. Some of these sites, such as fabric mills, are nominated and therefore direct relationships with our company exist. For the tier 2 factories that are not nominated, we have worked in collaboration with our tier 1 suppliers to gain greater understanding and visibility of fabric and trim suppliers.

### Tier 3 - Raw materials

The human rights risks for workers in extreme risk commodities, like cotton, tend to be more prevalent meaning that supply chain visibility and traceability are key to managing risk further in the supply chain.

Building visibility and traceability is not without complexity, so we have started by partnering with established organisations that have relationships, expertise and scale who can help improve labour rights in this sector.

Since our membership began, there has been a strong uptake of Better Cotton in Just Jeans. In order to enhance the cotton supply chain, the Just Group apparel brands have committed to expanding the Better Cotton partnership. Our commitment to expand the program from Just Jeans to also include Dotti, Jay Jays, Jacqui E, Peter Alexander and Portmans, will ensure that a growing percentage of Premier's cotton consumption will be driving demand for and use of ethically sourced cotton.

In addition, Peter Alexander continues to range a number of products using organic cotton and dyes certified as 100%

organic according to the Global Organic Textile Standard (GOTS). The aim of GOTS is to ensure organic status – from harvesting of the raw materials, through to environmentally and socially responsible manufacturing.

We do not condone the sourcing of cotton harvested from any region where state sanctioned forced labour regimes or any forced labour practices exists, and we are signatory to the Cotton Pledge.

We are committed to strengthening our ties with these three organisations as well as exploring other new programs as they emerge.

## Training & education

### Internal teams

In the Reporting Period, we conducted Modern Slavery training to 207 Just Group team members. This included 75% of product team members as well as the Bangladesh support office, Finance and Commercial non-merchandise procurement teams and the Executive. All training will be completed and refreshed in the next reporting period.

The training content included the following:

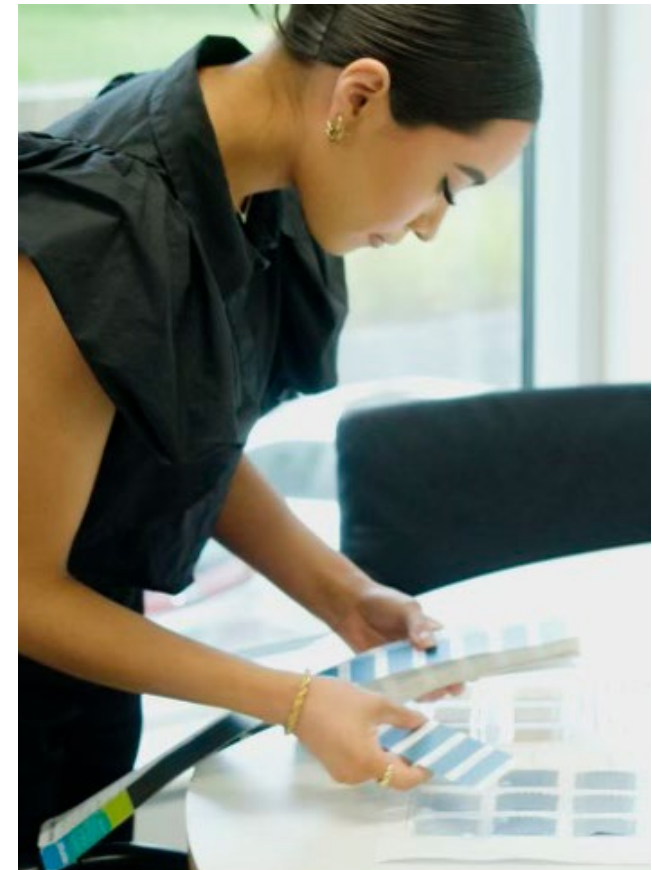
- Definitions and understanding the concepts of ethical sourcing and modern slavery
- The prevalence of modern slavery globally and high risk commodities
- Key events, government legislation and NGO pressure
- The human rights risks specific to the Just Group's operations and supply chains
- Highlighting key support required from team members with the Ethical Sourcing program

We followed up our training program with an effectiveness survey to understand improvements for future training initiatives.

## Suppliers

Supplier training to date has focused on assisting partners with remediation and proactively addressing issues.

As detailed in the social compliance audit section on page 12, suppliers were allocated e-learning modules after their audits in addition to engagement with the Ethical Sourcing team to remedy issues identified. Additionally, anti-bribery training was initiated in the Reporting Period with one supplier to educate, assess and determine key areas for improvement on the topic of business ethics. In the next reporting period, supplier training will be run by the Ethical Sourcing team with the content designed to address key issues found in the Reporting Period and expectations that need further reinforcement.



## Non-merchandise supplier due diligence

Premier acknowledges that our risk related to modern slavery is not limited to the supply chains of our products manufactured for re-sale. We work with a range of non-merchandise suppliers that play key roles in the operations of our business.

In order to gain deeper understanding of our modern slavery risks, in the Reporting Period we engaged with non-merchandise suppliers through Modern Slavery Self Assessment Questionnaire in the following sectors:



The Modern Slavery Self-Assessment Questionnaire completed by key non-merchandise suppliers focused on understanding the following:

- Programs and policies in place to identify modern slavery risks
- Resources dedicated to overseeing and addressing modern slavery risks
- Training provided to team members on modern slavery risks
- Supply chain management (conducting independent audits, risk assessments, non-compliance management and remediation processes, protection of vulnerable worker groups such as migrant workers)
- Grievance and redress mechanisms
- Measures in place to understand the effectiveness of actions being taken to assess and address modern slavery risks in the supply chain

The information gathered identified that 67% of non-merchandise suppliers who completed the Modern Slavery Self-Assessment Questionnaire are already self-reporting under legislation relating to modern slavery. Further insights are detailed in Table 10.

**Table 10**

Section of non-merchandise supplier self-assessment questionnaire	Key finding
Programs and policies	55% of non-merchandise suppliers have Ethical Sourcing policies and programs in place to monitor their risk on an ongoing basis
Internal teams	17% of non-merchandise suppliers have dedicated internal individuals or a team to manage modern slavery risk in their supply chain
Training	55% of non-merchandise suppliers provide team member training on the risks of modern slavery
Supply chain management	50% of non-merchandise suppliers have completed a Modern Slavery Risk Assessment of their operations and supply chain
Grievance mechanisms	22% of non-merchandise suppliers have a grievance mechanism in place beyond a whistle-blower hotline

The data obtained has identified some opportunities in the monitoring and due diligence of modern slavery risks with non-merchandise suppliers which in the next reporting period we intend to prioritise.

We will continue to engage with our key non-merchandise suppliers to strengthen our understanding so we can assist in building a tailored Ethical Sourcing Program for this group of suppliers.

We will also conduct industry benchmarking research to further understand best practice programs that exist to identify and monitor modern slavery risks within non-trade supply chains.



# Multi-stakeholder initiatives & partnerships

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Premier has a number of initiatives and partnerships that we are proud to support, learn from and be a part of. We value the following organisations' contribution and work to uphold human rights, ethics and provide greater transparency in supply chains.



## International Accord for Health and Safety in the Textile and Garment Industry

From 2013 to 2021 the Just Group worked with both the Accord on Fire and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety. In 2021 the Just Group became a signatory to the International Accord which is an independent, legally binding agreement between brands and trade unions which continues commitments to ensure a safe and healthy Ready-Made Garment industry in Bangladesh and further seeks to establish worker safety programs in other countries producing textiles and garments.

To date all of our Bangladesh factories are at remediation levels of over 90%, apart from three sites with recent extensions who are working through their remediation requirements and are making solid progress. We are committed to working collaboratively with all parties including the RMG Sustainability Council (RSC) to continue its important work.

## Advocacy

We engage with other organisations and NGO's in a collaborative manner. For example, we have engaged with Baptist World Aid Australia (BWA) on the Ethical Fashion Report since 2016. The report focusses 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.



## APSCA

In early 2022 the Just Group became a brand supporter of APSCA (Association of Professional Social Compliance Auditors) meaning that we only accept third party social compliance audit reports from APSCA member firms. An audit company having APSCA membership signifies compliance with a set of ethical and professional integrity standards defined by APSCA's Code & Standards of Professional Conduct and Competency Framework. ELEVATE is an APSCA member, however, the acceptance of audits from other APSCA member firms is specifically only allowed for our secondary factories where we accept mutual recognition audits.



## Better Cotton

Better Cotton's mission is to help cotton communities survive and thrive, while protecting and restoring the environment. Better Cotton trains farmers to use water efficiently, care for soil health and natural habitats, reduce use of the most harmful chemicals and respect workers' rights and wellbeing. Better Cotton is sourced via a chain of custody model called mass balance. This means that Better Cotton is not physically traceable to end products, however, Better Cotton Farmers benefit from the demand for Better Cotton in equivalent volumes to those we 'source'.

In January 2021 Just Jeans became a member of Better Cotton and in the Reporting Period Premier extended our membership with Better Cotton to include Dotti, Jay Jays, Jacqui E, Peter Alexander and Portmans. Group membership commenced in August 2022.

# Assessing Premier's actions: our effectiveness framework

As Premier's supply chain evolves, our governance framework is agile to meet the demands and changes to improve or enhance supply chain outcomes.

In our last Modern Slavery Statement, we reported our detailed framework for assessing the effectiveness of our actions. As we said in that Statement, 'effectiveness' is initially determined by putting measures in place to gain insights and transparency as to in the incidence of modern slavery in the supply chain, and then remediating issues accordingly. This requires multiple activities being implemented to provide a range of methods of assessing factory due diligence, and for worker voice to be communicated up the supply chain.

A summary of that framework is set out in Table 11 below, against which we have set out the outcomes in the Reporting Period.

## Our framework for measuring effectiveness

Table 11

Engagement point	Action	Objective	Reporting period outcomes
Policies & contractual governance	Maintaining policies & procedures	To adapt and update policies and procedures to reflect human rights issues in the supply chain	<ul style="list-style-type: none"> <li>• Updated Supplier Ethical Code of Conduct</li> <li>• Published Living Wage Statement</li> <li>• Developed Key Principles of Ethical Business Conduct document</li> </ul>
Risk assessment	Supplier on-boarding	To determine if there are any modern slavery risks identified prior to commencing the registration process	<ul style="list-style-type: none"> <li>• Incorporated ELEVATE's EiQ and Sentinel tools into the pre-screening process</li> </ul>
Audit & risk monitoring	ERSA audits conducted in tier 1 primary factories	To identify key human rights risks and indicators of modern slavery in the supply chain	<ul style="list-style-type: none"> <li>• No evidence found of child or forced labour</li> <li>• No instance of auditors being refused access to site</li> <li>• No evidence found of workers being prevented from attending interview</li> <li>• No evidence found of workers having their identification documents withheld</li> <li>• Total non-compliances by severity:               <ul style="list-style-type: none"> <li>- 20% minor</li> <li>- 37% moderate</li> <li>- 38% major</li> <li>- 4% critical</li> <li>- 1% zero-tolerance</li> </ul> </li> <li>• Non-compliances by category:               <ul style="list-style-type: none"> <li>- 56% Health &amp; Safety</li> <li>- 30% Labour</li> <li>- 7% Management systems</li> <li>- 4% Environment</li> <li>- 3% Business Ethics</li> </ul> </li> <li>• 17% were not transparent during their audit</li> </ul>
Remediation & corrective actions	Non-compliance remediation	To ensure issues raised in audits that may be indicators of modern slavery are remediated appropriately	<ul style="list-style-type: none"> <li>• 75% of sites audited completed all three assigned e-learning modules</li> <li>• All suppliers with critical and zero tolerance non-compliances found in their audits either had remediation plans in place or were exited</li> </ul>

Engagement point	Action	Objective	Reporting period outcomes
Remediation & corrective actions...	Monitoring for unauthorised subcontracting	To monitor and identify any instances of unauthorised subcontracting by factories. Sites not approved by Premier are at higher risk of modern slavery indicators	<ul style="list-style-type: none"> <li>• 25 Production Verification Audits undertaken in primary factories</li> <li>• One incident of unauthorised subcontracting was found through a PVA</li> <li>• Our Bangladesh team verified production at all active Bangladesh tier 1 sites and inspecting 80% of total orders</li> </ul>
	Worker surveys	To create avenues for workers' voices to be heard and communicated to Premier	<ul style="list-style-type: none"> <li>• Anonymous Worker Sentiment Surveys completed in all sourcing locations across 44 factories</li> <li>• Key themes included poor supervisor behaviour, excessive working hours and an absence of trusted grievance channels</li> </ul>
Listening & grievance mechanisms	Worker grievance channel	To create an avenue for workers to report possible illegal, unethical, or improper conduct in factories & any retaliation workers may face following an ERSA audit	<ul style="list-style-type: none"> <li>• Developed the Worker Grievance Channel in preparation for rollout in the next Reporting period</li> </ul>
	RSC Worker Help Line (Bangladesh)	To provide a grievance channel for workers to report issues related to fire & building safety in factories participating in the RSC	<ul style="list-style-type: none"> <li>• Monitored grievances that were reported through the RSC Worker Help Line and provided additional remediation support where required</li> </ul>
Training & education	Premier team member modern slavery training	To continuously educate and create awareness of modern slavery risks and improve the quality of that training year on year	<ul style="list-style-type: none"> <li>• Ethical Sourcing and Modern Slavery training completed by: <ul style="list-style-type: none"> <li>- Executive</li> <li>- 75% Product team members</li> <li>- Bangladesh support office</li> <li>- Finance and non-merchandise commercial teams</li> </ul> </li> </ul>
	Supplier modern slavery awareness training		<ul style="list-style-type: none"> <li>• In the next reporting period, supplier training will be run by the Ethical Sourcing team with the content designed based on key issues found in the Reporting Period and expectations that need further reinforcement</li> </ul>
	Supplier capacity building & targeted modern slavery training	To address gaps & issues requiring remediation found through audit program and grievance mechanism tools	<ul style="list-style-type: none"> <li>• Primary factories who completed ERSA audits were all assigned three e-learning modules; one on corrective action plan management, then the additional two were based on priority areas for improvement. There was a 75% completion rate of all three modules</li> </ul>



# Planned areas of focus for the next 12 months

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Premier recognises that modern slavery is a growing and complex issue best tackled with a collective commitment and responsibility to work together to identify and address our legal and ethical obligations, as well as the risk of its existence.

Our journey is one of continuous review, improvement and growth. We will adapt our policies and activities to ensure they meet the expectations of the suppliers and workers in our supply chain, our customers, team members and shareholders. In addition to our existing Ethical Sourcing program, our collective focus areas for the next 12 months are as follows.

## Core program: verification, audit and traceability

- Incorporate importers into our Ethical Sourcing program to align with updated supplier program requirements
- Enhance risk assessment, due diligence and engagement with non-merchandise suppliers, further education and support on the risks in their supply chains
- Expand traceability and due diligence work beyond tier 1 with nominated input and fabric suppliers and pilot due diligence activities

## Building insights

- Rollout Helpline to all tier 1 sites in all sourcing countries
- Conduct industry benchmarking of non-merchandise supplier due diligence to further understand best practice

## Living wage

- Create a measurable Living Wage roadmap as per Living Wage statement and commitments published in the Reporting Period
- Refresh responsible purchasing practices training for product and buying teams
- Continue roll-out of open cost breakdown with suppliers whereby the labour cost is ringfenced
- Update supplier training and deliver workshop on living wage awareness
- Finalise scope of wage gap analysis for further implementation

## Policies and procedures

- Communicate updated Code of Conduct to all existing suppliers, which will also be provided in their local language as we diversify our sourcing countries
- Rollout of Key Principles of Ethical Business Conduct document to all existing suppliers and internal stakeholders, and embed the document as part of the supplier onboarding process for future suppliers
- Develop cotton position statement to communicate with suppliers on the risks associated with cotton sourcing, expectations and preferred sources of cotton

## Training and education

- Expand Modern Slavery and Human Rights awareness training annually for suppliers based on salient risks in supply chain, common non-compliances with a key focus on transparency and business ethics
- Tailor capacity building projects required for suppliers that are informed by ERSA, Production Verification and Worker Sentiment Surveys results for specific regions
- Provide overtime hours training for all factories in China and Bangladesh

## Deeper engagement with industry partners

- Roll out uptake of Better Cotton to include Dotti, Jay Jays, Jacqui E, Peter Alexander and Portmans - Just Jeans has been a member since January 2021
- Continue to build and leverage multi-stakeholder engagement where strategic value can be driven and where we can broaden our learning

## Strengthening investment in in-house capability

- Ethical Sourcing team to continue to engage and collaborate with industry peers on shared contemporary issues faced in supply chains
- Broaden and strengthen accountability at all levels of our organisation, including through performance review

## Self-assessment and review

- Commence building a self-assessment and ratings tool in relation to our effectiveness framework

# Glossary

APSCA	Association of Professional Social Compliance Auditors
CAP	Corrective Action Plan
Code of Conduct	Just Group's Supplier Ethical Code of Conduct
ELEVATE	Elevate Limited
ERSA	Elevate Responsible Sourcing Assessment
GLWC	Global Living Wage Coalition
ILO	The International Labour Organisation
importers	Suppliers to the Just Group that import finished goods into Australia, principally on a free-in-store (FIS) basis
international factory or factory	A manufacturing facility that is in a location (premises) outside of Australia that manufactures product for the Just Group, principally on a free-on-board (FOB) basis
international supplier or supplier	A supplier of product to the Just Group is located outside Australia, principally on a free-on-board (FOB) basis, that may own or have arrangements with one or multiple factories
Just Group	Just Group Limited ( <i>a wholly owned subsidiary of Premier</i> )
Just Group brands	Dotti, Jacqui E, Jay Jays, Just Jeans, Peter Alexander, Portmans and Smiggle
modern slavery	a comprehensive 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
NGO	Non-governmental organisation
Premier	Premier Investments Limited
PVA	Production Verification Audit
Reporting Period	1 August 2021 to 30 July 2022 ( <i>being FY22 for Premier</i> )
RPP	Responsible Purchasing Practices
RSC	RMG Sustainability Council
UNGP	United Nations Guiding Principles on Business and Human Rights
we, our or similar expressions	Premier, including Just Group
WSS	Worker Sentiment Survey
3PL	Third Party Logistics

dotti



JACQUIE

peteralexander

portmons



Smiggle®