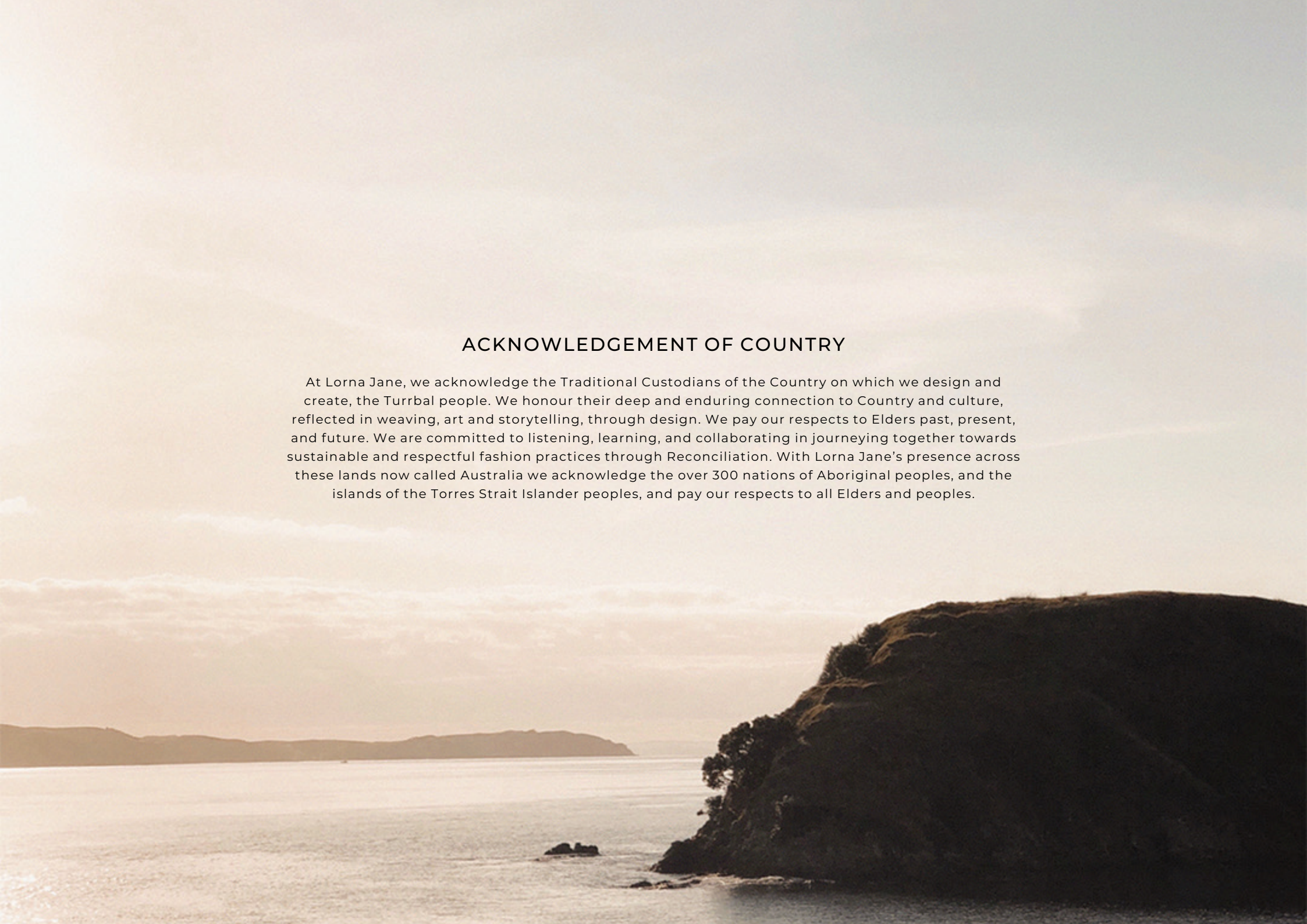




# Modern Slavery Statement FY24

LORNA JANE PTY LTD | ABN 91 065 384 616  
Reporting period: 1 July 2023 – 30 June 2024





## ACKNOWLEDGEMENT OF COUNTRY

At Lorna Jane, we acknowledge the Traditional Custodians of the Country on which we design and create, the Turrbal people. We honour their deep and enduring connection to Country and culture, reflected in weaving, art and storytelling, through design. We pay our respects to Elders past, present, and future. We are committed to listening, learning, and collaborating in journeying together towards sustainable and respectful fashion practices through Reconciliation. With Lorna Jane's presence across these lands now called Australia we acknowledge the over 300 nations of Aboriginal peoples, and the islands of the Torres Strait Islander peoples, and pay our respects to all Elders and peoples.



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A woman with long brown hair is running on a sandy beach at sunset. She is wearing a bright red athletic two-piece outfit consisting of a sports bra and shorts. The sports bra features a white logo of three stylized 'O's. The shorts have a small white logo on the lower right leg. The background shows the ocean with waves breaking onto the shore, and a distant landmass on the horizon under a soft, golden sky.

# Introduction & Directors Note

This Modern Slavery Statement, submitted in response to the Modern Slavery Act 2018 (Cth), was approved by the Executive Management Team and the owners of Lorna Jane Pty Ltd, collectively the 'principal governing body' for the purpose of the Act. The contents of this statement have been reviewed and verified by an authorised representative to ensure accuracy.

This statement is signed by Bill Clarkson, duly authorised as a responsible member of the reporting entities to sign Modern Slavery Statements, in their capacity as a Director in 2024.

Lorna Jane is committed to eliminating modern slavery in all forms across our operations and supply chain. Through proactive risk management, meaningful collaboration with suppliers, and transparent reporting, we aim to uphold the highest standards of ethical responsibility. By prioritising the well-being and rights of all workers, we strive to create environments that respect human dignity and ensure responsible production practices.

### The Reporting Entity

Lorna Jane Pty Ltd (ABN 91 065 384 616), referred to as “Lorna Jane,” “we,” or “our,” is a designated reporting entity under the Modern Slavery Act 2018 (Cth) (the ‘Act’). Lorna Jane owns and controls fifteen related entities, detailed on Page 12, with the owners of Lorna Jane Pty Ltd serving as the higher entity for the purposes of the Act. This is our fourth statement under the Act, detailing Lorna Jane’s approach to identifying, assessing, and addressing modern slavery risks during the 2023-2024 Australian financial year.



Bill Clarkson, Director

## Key Achievements in FY24

In FY24, Lorna Jane made substantial progress in embedding responsible business practices across our operations and supply chains, furthering our commitment to ethical labour standards, transparency, and environmental sustainability. Key achievements during this period include:

### Oxfam Living Wage Recognition

Lorna Jane became the first brand on Oxfam's What She Makes Company Tracker to achieve "Step 5" recognition for paying a living wage to all garment workers at our primary manufacturing facility, Ningbo Longson Garment Factory. This milestone underscores our dedication to wage equity and the well-being of workers.

### Living Wage Back-Pay Initiative

In partnership with our primary production partner, Active Apparel Group (AAG), we implemented a retroactive wage adjustment for workers at Ningbo Longson Garment Factory, covering the period from January to August 2023, to ensure all wages meet or exceed local living wage standards as defined by the Anker methodology. The Anker methodology estimates the cost of a basic but decent lifestyle for a worker and their family in a particular place, and determines if the estimated living wage is being paid to workers.

### BWA Ethical Fashion Report Score

We doubled our score in the Baptist World Aid Ethical Fashion Report, increasing from 20 to 40 points, placing us within the top 40% of assessed

companies and achieving above-average ratings in Responsible Purchasing Practices and Living Wage Payment, highlighting our commitment to continuous improvement and transparency.

### AAG B Corp Certification

Active Apparel Group (AAG), which manufactures 97% of Lorna Jane's merchandise, achieved B Corp certification in 2024. This milestone reflects AAG's commitment to meeting rigorous standards of verified social and environmental performance, accountability, and transparency.

### Expanded Supplier Transparency and Risk Assessment

Strengthening our supplier due diligence, we engaged AAG's suppliers in an advanced risk assessment program, prioritising remediation in high-risk areas and enhancing transparency through traceability initiatives across the supply chain.

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Each of these achievements reflects Lorna Jane's commitment to continuous improvement and upholding our values of ethical production and responsible business practices across our operations and supply chain.

# Our Operations, Structure & Supply Chains







## OUR OPERATIONS, STRUCTURE & SUPPLY CHAINS

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### Our Operations

Lorna Jane's core business and operational activities evolved throughout FY24, as we strategically expanded and realigned our retail footprint to enhance accessibility and align with market demand. As a leading retailer of women's activewear and lifestyle products, we continue to offer a diverse product range, including tights, leggings, shorts, tops, jackets, sports bras, swimwear, shoes, and accessories, as well as lifestyle books and digital gift cards.

In FY24, Lorna Jane expanded with three new stores, relocated five, and strategically closed four locations, bringing our total footprint to 97 stores in Australia and 10 in New Zealand.

Internationally, we maintain an online market in China. February FY24 saw the cessation of our US warehouse, marking a shift in our approach to the US market. Although we ceased direct retail operations in the United Kingdom, the UK entity remains registered but inactive.

Our corporate operations, primarily conducted at our headquarters in Eagle Farm, Queensland, continue to encompass key functions in finance, procurement, human resources, distribution, marketing, strategic partnerships, sales, IT, design, and product development.

Lorna Jane's comprehensive supply chain management extends across all operational facets, ensuring that modern slavery risks are thoroughly assessed and mitigated across both our merchandise and non-trade procurement (NTP) suppliers.

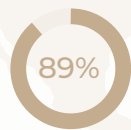


## OUR OPERATIONS, STRUCTURE & SUPPLY CHAINS

### Our Team

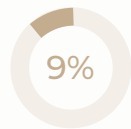
As of FY24, Lorna Jane employs a total of 1,046 team members across Australia, New Zealand, China, and Manila, reflecting growth from the previous reporting period's 891 employees and underscoring our ongoing expansion.

Below is a detailed breakdown of our workforce:



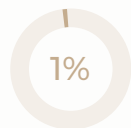
#### Australia-Based Team

89% (928 team members) are based in Australia, working across our retail network, corporate office, and warehouse facilities.



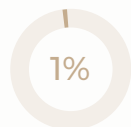
#### New Zealand-Based Team

9% (96 team members) work across New Zealand, including retail roles in our stores and our in-house managed warehouse (3 full-time and 6 casual team members). All New Zealand warehouse employees are hired directly by Lorna Jane, with no agencies involved.



#### China-Based Team

1% (11 full-time team members) support our online sales operations.



#### Manila-Based Contractors

1% (11 contractors) based in Manila, employed through a reputable recruitment agency, support key functions across our business.

CHINA

MANILA

AUSTRALIA

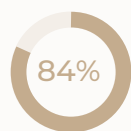
NEW ZEALAND

## OUR OPERATIONS, STRUCTURE & SUPPLY CHAINS

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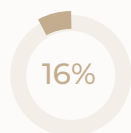
### Our Team

Our workforce composition by role includes:



#### Retail Roles

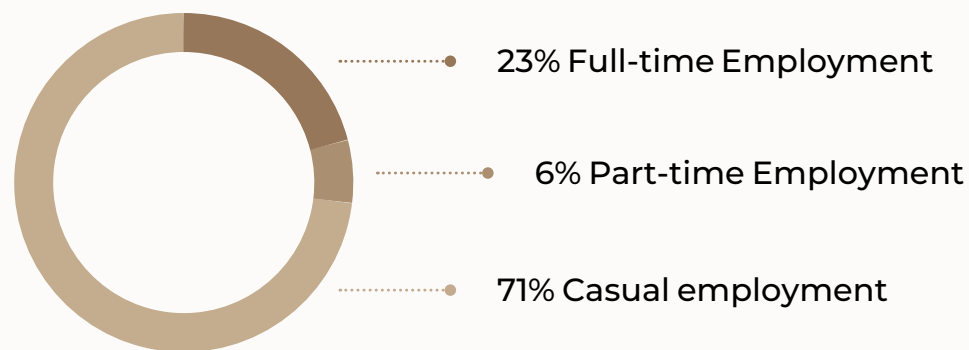
81% of our team members (764 in Australia and 87 in New Zealand) work in retail positions.



#### Corporate & Warehouse Roles

19% of our workforce (195 team members) are employed in executive, professional, and administrative roles at our Queensland headquarters, with an additional 9 team members working directly in our New Zealand warehouse, 11 in our Manila office and 11 in China.

Our employment structure reflects our operational needs:





## OUR OPERATIONS, STRUCTURE & SUPPLY CHAINS

### Lorna Jane's Corporate Structure

Lorna Jane Pty Ltd is a privately owned Australian company. As the reporting entity, Lorna Jane Pty Ltd also owns and controls thirteen related entities, none of which individually meet the statutory criteria to be considered reporting entities under the Modern Slavery Act 2018 (Cth).

These entities, as previously disclosed, include:

- LJ GP No 1 Pty Limited
- LJ GP No 2 Pty Limited
- Lorna Jane Gold Coast Pty Limited
- Lorna Jane Rewards Pty Limited
- Move Nourish Believe Pte Limited
- LJ USA General Partnership
- LJ USA Holdings Inc
- Lorna Jane USA, Inc
- Run Girl Run (Shenzhen) Co. Limited
- Lorna Jane Hong Kong Ltd
- Lorna Jane New Zealand Ltd
- Lorna Jane Limited (CAD)
- Move Nourish Believe (UK) Limited

### Our Supply Chains

#### Our Merchandise Supply Chain

In FY24, Lorna Jane maintained a streamlined and transparent supply chain with a strong emphasis on ethical practices and oversight. At the heart of this is our long-term partnership with Active Apparel Group (AAG), our primary manufacturing partner. With over 32 years of collaboration, this trusted relationship underpins our commitment to quality, ethical production, and shared accountability in addressing modern slavery risks.

AAG's extensive experience and alignment with Lorna Jane's values enable enhanced oversight and control throughout the production process, particularly in the manufacture of finished garments, which represent the vast majority of our product offerings. For more details on AAG's ethical practices, please refer to their [Modern Slavery Statement](#).

This partnership allows us to maintain greater transparency in our Tier 1 supply chain while ensuring compliance with Lorna Jane's ethical and quality standards. Below is an overview of our Tier 1 suppliers by product type and their share of overall value for Lorna Jane in FY24:

Product Type	2024 % of Overall Value
Finished Garments	97.1%
Accessories - Gloves	0.20%
Accessories - Hair Pack	0.10%
Accessories - Booty Band	0.10%
Accessories - Bags	0.20%
Accessories - Towels	0.20%
Accessories - Socks	0.70%
Accessories - Bottles	1.10%
Accessories - Diaries	0.60%

## OUR OPERATIONS, STRUCTURE & SUPPLY CHAINS

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### Focus on Finished Garments

With 97.1% of our supply chain value derived from finished garments, our partnership with AAG enables us to focus our oversight and due diligence efforts where they matter most. This structure supports robust risk management practices and minimises exposure to supply chain complexities that may arise from broader outsourcing.

By leveraging our long-standing partnership with AAG, we continue to strengthen our ethical supply chain practices, ensuring they align with our values and support the highest standards of responsible production.

## Key Supply Chain Insights

### High Consolidation

97% of our finished garment production is centralised through AAG, allowing us to maintain stringent oversight and clear communication for ethical production standards.

### Targeted Scope for Accessories

Accessories constitute only 3% of our total product line, with a limited yet diverse selection of items such as gloves, bottles, and diaries sourced from a small, specialised group of suppliers.

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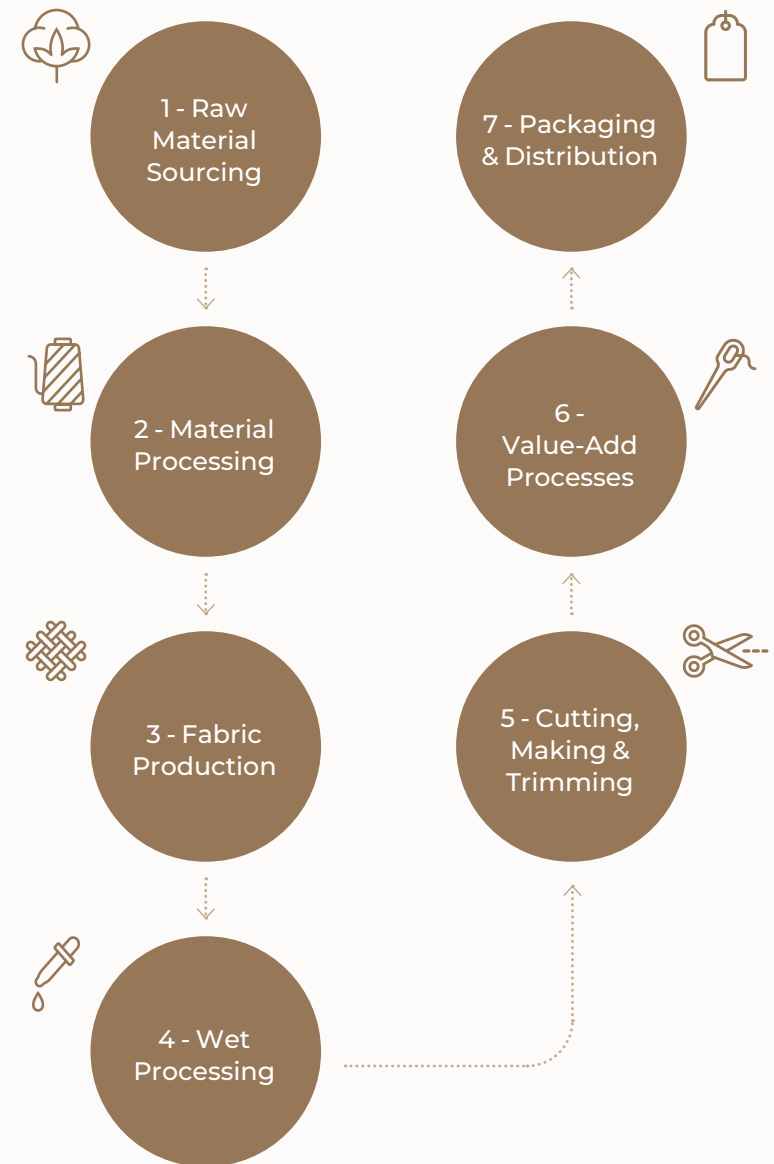
This centralised approach supports Lorna Jane's commitment to rigorous quality and ethical standards, with our targeted accessory sourcing strategy reducing complexity in these categories and enhancing our ability to monitor, assess, and mitigate risks within our supply chain.



### Supply Chain Structure and Complexity

Our supply chain spans several regions, with apparel production involving specialized stages and participants at each phase. While certain suppliers are vertically integrated—managing multiple stages under one facility—others focus on specific production areas like fabric dyeing or garment assembly. Key stages in Lorna Jane's apparel supply chain include:

- 1 Raw Material Sourcing**  
Procurement of base materials, such as cotton and high-performance synthetics.
- 2 Material Processing**  
Conversion of raw materials into fibres and yarns, suitable for activewear.
- 3 Fabric Production**  
Weaving or knitting fibres to create durable, high-quality fabrics.
- 4 Wet Processing**  
Dyeing, washing, and finishing treatments to meet fabric and performance standards.
- 5 Cutting, Making, and Trimming (CMT)**  
Precision assembly of garment pieces, ensuring consistency and quality.
- 6 Value-Add Processes**  
Custom touches, such as logo printing and trims, to enhance product identity and functionality.
- 7 Packaging and Distribution**  
Preparing finished products for retail with appropriate labelling and packing.



## OUR NON-TRADE PROCUREMENT (NTP) GOODS & SERVICES

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Lorna Jane's non-trade procurement supports essential operations across retail, corporate, and logistical functions. In FY24, our non-trade goods and services were sourced from a range of suppliers, predominantly based in Australia, with select international partners to meeting specific business needs.

### Key Non-Trade Procurement Categories by Spend

The primary categories in Lorna Jane's non-trade procurement include:

#### Property and Facilities Management (40.85%)

Real Estate Services: Rental and lease agreements for retail and office spaces.

#### IT and Telecommunications (24.43%)

Computer and Related Services (Australia, Ireland, United States):

IT infrastructure, hardware, software, cybersecurity.

Post and Telecommunication Services: Connectivity for retail and corporate locations.

#### Professional and Financial Services (15.54%)

Other Business Services: Consulting, auditing, and administrative support.

Services Auxiliary to Financial Intermediation: Financial support and management services.

Insurance and Pension Funding Services: Insurance and auxiliary financial services.

Financial Intermediation Services: Financial management and additional financial services.

#### Logistics and Transportation (2.20%)

Other Land Transportation Services: Logistics for goods and staff travel.

Supporting and Auxiliary Transport Services; Travel Agency Services: Additional transport support services.

#### Construction and Maintenance (3.21%)

Construction Work: Retail store refurbishments and office maintenance.

#### Marketing and Communications (1.90%)

Printed Matter and Recorded Media: Marketing materials and in-store visuals.

#### Government and Public Services (0.30%)

Public Administration and Defence Services: Social security services and public administration.

#### All Other Sectors Combined (3.35%)





## Non-Trade Procurement Highlights

### Concentration on Key Categories

The top five non-trade categories represent 63% of total NTP spending, underscoring our focus on core operational areas such as real estate, IT infrastructure, and essential business services.

### Commitment to Local Sourcing

Over 90% of non-trade procurement spending is directed to Australian-based suppliers, reinforcing our support for local businesses and ensuring strong ethical oversight.

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Through these initiatives, Lorna Jane remains committed to responsible, transparent non-trade procurement practices that uphold the ethical integrity of our operations.



Modern Slavery Risks in  
Our Supply Chains and Operations

## Understanding Modern Slavery Risks in the Fashion Sector

At Lorna Jane, we recognize that modern slavery risks may arise in complex and multi-tiered supply chains, where businesses might either directly create harm, indirectly contribute to it, or be linked to risks through their broader supplier networks. To better identify and mitigate these risks, we use a framework grounded in the “cause, contribute to, and directly linked to” model, consistent with the UN Guiding Principles on Business and Human Rights. This framework enables us to analyse and address how our operations or those of our partners may impact human rights.

The table below outlines these key terms with examples relevant to the fashion industry, helping to clarify how different forms of involvement in human rights impacts may manifest within our sector:

### Key Terms and Relevant Examples in the Fashion Sector

Term	Explanation	Example relevant to the fashion sector
Cause	A business may cause an adverse human rights impact, such as modern slavery, if it directly creates or is responsible for the impact through its activities or omissions.	For instance, a logistics company may cause modern slavery by exploiting workers who crew its shipping vessels.
Contribute to	A business may contribute to an adverse human rights impact where its actions or omissions facilitate or encourage the impact, to the extent that harm would be unlikely without them.	For example, a fabric wholesaler might contribute to modern slavery by imposing price reductions on suppliers, achievable only through exploitative labour practices.

Directly linked to

A business may be directly linked to an adverse human rights impact if its operations, products, or services are connected to the impact through another entity's actions (e.g., a supplier), even if it has not caused or contributed to the harm.

For example, a fashion company could be directly linked to modern slavery if its supplier manufactures garments using raw materials from an exploitative third-party supplier.

This approach enables Lorna Jane to distinguish between varying levels of risk and involvement in potential human rights violations, ensuring that we can appropriately target risk mitigation efforts across our supply chains. By understanding these distinctions, we can engage in tailored interventions—such as direct oversight, corrective actions, or enhanced due diligence with suppliers—based on the nature of our connection to the risks.

To assess our level of responsibility and risk exposure, we employ the 'cause, contribute to, directly linked to' model, allowing us to differentiate between varying levels of potential involvement in human rights violations. This model supports targeted interventions, ranging from direct oversight to corrective action and enhanced supplier due diligence, based on the nature of each risk.



### Risk Assessment Overview

In FY24, Lorna Jane partnered with Fair Supply to conduct a comprehensive risk assessment of both our manufacturing and non-trade procurement (NTP) supply chains. This assessment, based on the Multi-Regional Input-Output (MRIO) model, mapped modern slavery risks across tiers 1 to 10, tracing the flow of goods and services throughout our supply chain. The MRIO model cross-referenced data from global sources, including the UN Guiding Principles on Business and Human Rights, the Global Slavery Index, and ILO estimates, providing us with insights into key modern slavery risks, including forced labor, bonded labor, deceptive recruitment, and child labour.

## Risk Findings and Key Insights

### High Consolidation

With 97% of Lorna Jane's garment production managed by our primary partner, Active Apparel Group (AAG), at the Ningbo Longson Garment Factory in China, this consolidation enables strong oversight of production processes. While it provides enhanced control, AAC's operations in China involve heightened risk factors, especially within the cotton sector, which faces forced labour concerns, particularly in regions like Xinjiang.

### Sector Risk Ratings

Across all suppliers (including NTP), 72.66% were classified as low risk, while approximately 1% fell into moderate-high risk categories. These higher-risk suppliers receive prioritised monitoring and additional due diligence, especially around sourcing of temporary labour and client-nominated suppliers who require close oversight.



## SUPPLY CHAIN RISK ASSESSMENT & MITIGATION

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### Actions Taken to Address Manufacturing Risks

#### Supplier Code of Conduct and SEDEX Registration

All manufacturing suppliers are required to comply with Lorna Jane's Supplier Code of Conduct, which establishes clear standards on ethical treatment, fair wages, labour conditions, and respect for human rights. The Code aligns with internationally recognised labour conventions, including those of the International Labour Organization (ILO), and forms a critical part of our efforts to mitigate modern slavery risks.

#### Enforcement and Compliance

##### Commitment

By signing Lorna Jane's terms and conditions, suppliers formally commit to meeting the requirements of the Code of Conduct within their operations and throughout their supply chains.

##### Monitoring

Compliance with the Code is reinforced through registration on the SEDEX platform, enabling visibility into supplier practices, including labour conditions, workplace safety, and environmental management.

##### Auditing

Lorna Jane reserves the right to conduct both announced and unannounced audits, either directly or through independent third parties, to assess compliance.

##### Corrective Actions

When violations are identified, suppliers are required to implement corrective action plans. Failure to take appropriate steps may result in the suspension of future orders or termination of the business relationship.

### Actions Taken to Address Manufacturing Risks CONTINUED

#### AAG Compliance

Our long-term manufacturing partner, Active Apparel Group (AAG), also requires compliance with the Supplier Code of Conduct from both their direct suppliers and client-nominated suppliers. This ensures alignment with our ethical commitments and extends the reach of our Code across the supply chain.

#### Continuous Improvement

Lorna Jane encourages its suppliers to integrate the principles of the Code of Conduct into their management systems and strive for continuous improvement. This includes the adoption of policies, procedures, and training to ensure ongoing compliance and capacity-building within their operations.

#### Third-Party Audits and Corrective Action Plans (CAPs)

AAG performs annual third-party social audits, including WRAP and SEDEX SMETA 4-Pillar audits, to assess labor practices, health and safety, environmental practices, and business ethics across manufacturing sites. In FY23, the SEDEX audit at Ningbo Longson identified excessive overtime, leading to corrective action plans that introduced revised scheduling and enhanced overtime tracking to meet compliance standards.

#### Corrective Action Plans

Non-compliance findings are addressed through CAPs managed within

SEDEX, ensuring timely resolutions of issues, such as adjustments to overtime and regular wage reviews. AAG's rigorous CAP processes guarantee that issues are monitored until resolved, strengthening accountability across the supply chain.

#### Labour Hire Practices and Temporary Workers

To manage risks associated with temporary labor, AAG exclusively partners with Ningbo Yijia Human Resources Co., Ltd., a labour hire agency assessed for compliance with local laws and international labour standards.

#### Assessment and Vetting

##### Criteria and Standards

Ningbo Yijia's compliance is evaluated against the Ethical Trading Initiative (ETI) Base Code and SMETA (Sedex Members Ethical Trade Audit) procedure and criteria.

##### Self-Assessment Process

As part of the vetting process, Ningbo Yijia completes a detailed Self-Assessment Checklist annually. This checklist covers their business practices, management systems, policies, and worker-related information. It is completed and signed by the head of Ningbo Yijia, confirming their commitment to abide by Longson's Code of Conduct.



### Actions Taken to Address Manufacturing Risks CONTINUED

#### Ongoing Monitoring and Compliance

##### Annual Updates

Ningbo Yijia's progress and changes are tracked each year through the completion of the Self-Assessment Checklist.

##### Payroll Audits

AAG conducts **regular and random** checks on Ningbo Yijia's payroll records to confirm accurate and timely payment to all workers.

##### Worker Feedback Mechanisms

A transparent complaint channel is available for workers to report any concerns about Ningbo Yijia's practices. This mechanism ensures issues can be addressed promptly and effectively.

This partnership and robust monitoring framework aim to mitigate risks associated with temporary labour, ensuring fair treatment, appropriate compensation, and adherence to ethical employment standards.

#### Living Wage Commitment and Verification

In 2023, Bureau Veritas conducted an independent living wage audit at Ningbo Longson, using the Anker methodology to benchmark fair wages. The audit confirmed that wages exceeded local living wage standards by 29%, with minor discrepancies corrected through a back-pay initiative from January to August 2023. This initiative reflects Lorna Jane's commitment to fair wages, which we further uphold through ongoing monitoring with Oxfam's *What She Makes* initiative to ensure wage sustainability and compliance.

##### Transparency and External Validation

Data from this audit was shared with Oxfam, and ongoing collaboration includes regular 12-month wage monitoring, which confirms all garment workers meet or exceed the living wage benchmark.

#### Grievance Mechanisms for Worker Feedback

To empower workers, AAG has implemented an anonymous grievance mechanism at the Ningbo Longson facility, accessible via QR codes prominently displayed throughout the factory, including entrances. This system ensures confidentiality, enabling workers to report concerns without fear of reprisal.

##### Details of the Process

##### Raising Grievances

Workers scan the QR code to submit their grievances, which are then securely received and logged by the compliance team.

##### Processing Reports

Grievances are reviewed by an independent grievance handling officer to ensure impartiality.

##### Resolution Steps

The handling officer collaborates with relevant management or departments to address the issues raised. Resolutions are communicated back to the workforce in appropriate formats to ensure transparency and foster trust.

### Actions Taken to Address Manufacturing Risks CONTINUED

In 2023, 22 grievances were logged. The majority pertained to general workplace issues such as canteen food options, departmental allocations, and equipment concerns. Importantly, none of these grievances related to modern slavery risks.

This mechanism not only provides a safe platform for feedback but also serves as a key tool in monitoring the working environment and identifying areas for improvement, thereby supporting a culture of accountability and ethical practices.

### Extended Supply Chain Risk Management and Traceability High-Risk Raw Material Sourcing

Recognising the elevated risks associated with raw material sourcing, particularly cotton, Lorna Jane collaborates closely with AAG to strengthen ethical and traceable sourcing practices:

#### High-Risk Materials: Cotton

AAG's **Supplier Code of Conduct** enforces strict compliance with forced labour and human rights standards. This includes a robust vetting process and ongoing monitoring to uphold ethical practices and mitigate risks in high-risk regions, such as Xinjiang. Lorna Jane along with AAG are actively working to enhance traceability and accountability throughout its supply chain, reducing exposure to unethical practices and promoting responsible sourcing.

#### Digital Traceability Tools

To further increase transparency within the cotton supply chain, AAG is exploring digital tools such as Retraced and FibreTrace. These technologies

aim to provide verification of sourcing origins and ensure compliance with legislation such as the Uyghur Forced Labor Prevention Act (UFLPA). By leveraging these tools, AAG seeks to support responsible practices and enhance visibility across its supply chain.

### Industry Collaboration and Capacity Building

To strengthen our ability to address modern slavery risks, both Lorna Jane and AAG have concentrated on building internal capacity and awareness among our respective teams. In FY24, AAG launched mandatory internal training on modern slavery, ethical standards, and labour rights, while Lorna Jane has engaged key personnel in training sessions focused on ethical sourcing and compliance.

Looking forward, we plan to expand these efforts to our supplier network, aiming to provide targeted training programs that enhance supplier understanding and alignment with our anti-slavery commitments.

### Governance and Accountability

Lorna Jane is committed to embedding modern slavery risk management into its governance framework. To formalise this approach, we have established a dedicated **Modern Slavery Steering Committee** in FY25. This cross-functional committee is scheduled to meet every six weeks and is responsible for ensuring strategic oversight, alignment, and accountability in addressing modern slavery risks across our operations and supply chain.

## Actions Taken to Address Manufacturing Risks CONTINUED

### Modern Slavery Steering Committee

The Steering Committee includes senior leaders from key departments to provide a broad range of expertise and perspectives. Members include:

**Anna Fowler** Chief Executive Officer (CEO)

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**Fiona Hochmuth** Chief Financial Officer (CFO)

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**Danny Hancock** Chief Operating Officer (COO)

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**Peter Clarke** Chief Technology Officer (CTO)

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**Mike Lawrence** IT Operations Manager

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**John Peters** Global Logistics Manager

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**Shae Semb** Head of People

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**Nicole Bennett** ESG Manager

### Standing Agenda

Each meeting will follow a structured agenda to ensure focus on key issues and progress against commitments. Agenda items include:

#### 1. Review of Key Indicators

Updates on modern slavery risk indicators, including supplier audits, grievance mechanisms, and any identified risks.

#### 2. Supplier Compliance

Discussion of corrective actions arising from supplier audits and ongoing monitoring activities.

#### 3. Policy and Training Updates

Review of modern slavery policies and training programs, including their rollout and effectiveness.

#### 4. Stakeholder Engagement

Updates on worker feedback mechanisms, stakeholder collaborations, and industry initiatives.

#### 5. Future Action Planning

Identification of upcoming risks or priorities, including alignment with Lorna Jane's broader ESG goals.



### Actions Taken to Address Manufacturing Risks CONTINUED

#### Reporting Structure

The Committee reports directly to the CEO. Meeting minutes are formally documented and submitted to the CEO for review, with key insights and action items integrated into the broader corporate governance framework. This ensures alignment with Lorna Jane's overarching risk management strategy and accountability at the highest levels of leadership.

#### Senior Leadership Oversight

To reinforce governance, the ESG Manager meets weekly with the CEO and CFO to provide regular updates on the progress of ESG initiatives, including modern slavery risk management.





## SUPPLY CHAIN RISK ASSESSMENT & MITIGATION

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### Non-Trade Procurement (NTP) Risk Assessment and Mitigation

#### Risk Assessment Approach

In FY24, Lorna Jane began evaluating the modern slavery risks associated with its Non-Trade Procurement (NTP) suppliers, which support key indirect operational needs such as logistics, real estate, and IT services. Through the Fair Supply model (outlined in the Appendix), we conducted an initial sector-based risk analysis to identify areas of potential vulnerability and prioritise future due diligence efforts.

#### NTP Supplier Risk Findings

##### Low-Risk Majority

Our preliminary assessment found that over 90% of our NTP suppliers operate in sectors classified as low risk for modern slavery, presenting minimal concerns.

##### Higher-Risk Sectors

A small proportion of NTP suppliers were flagged as operating in moderate-to-high-risk sectors, particularly within industries like logistics and waste management, which are known to have potential labour vulnerabilities.

## SUPPLY CHAIN RISK ASSESSMENT & MITIGATION

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### Non-Trade Procurement (NTP) Risk Assessment and Mitigation

CONTINUED

#### Next Steps: Enhancing Due Diligence in FY25

Lorna Jane is committed to strengthening its approach to NTP supplier oversight and risk management. In FY25, we plan to:

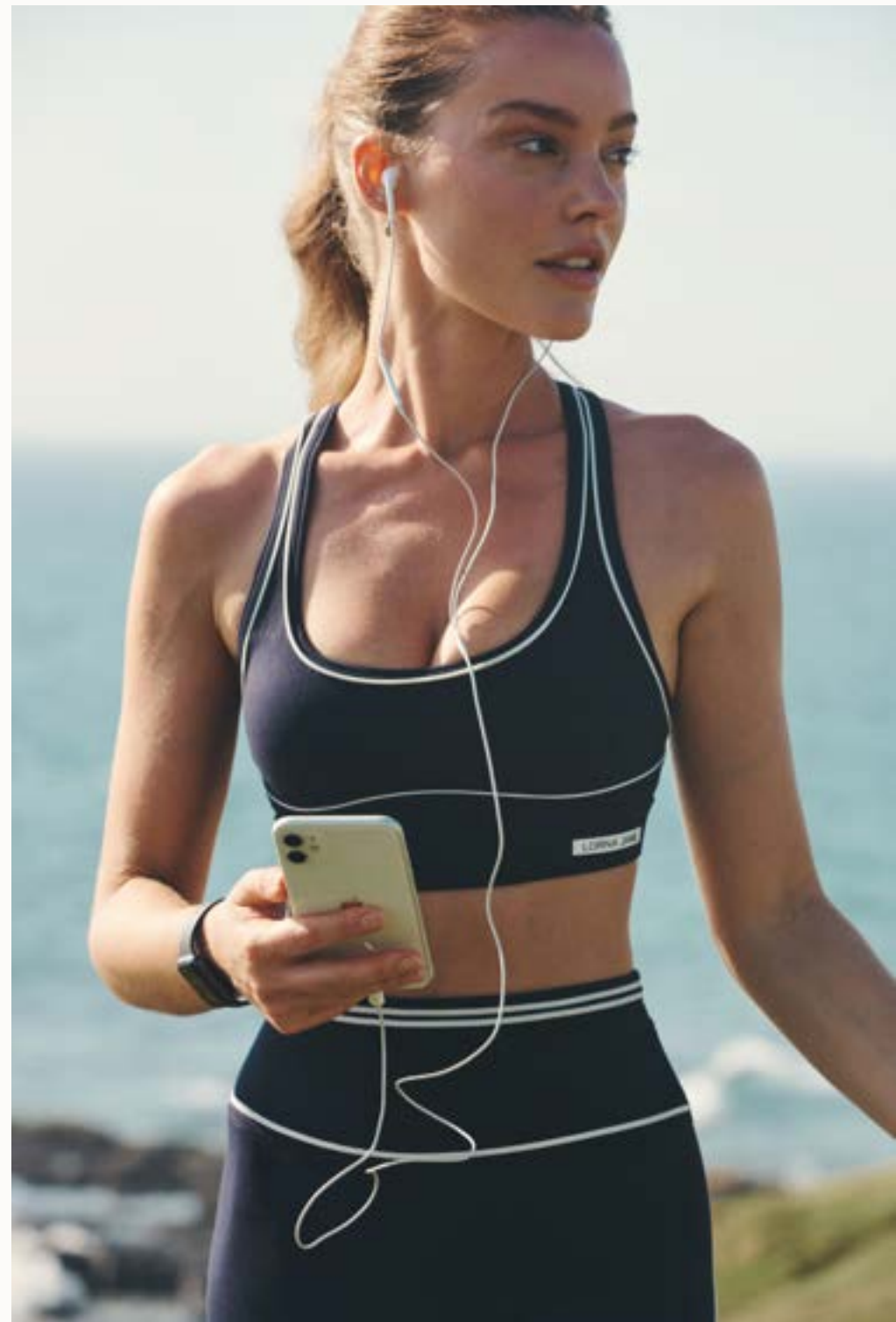
##### Implement Targeted Due Diligence

Conduct enhanced screenings of moderate-to-high-risk NTP suppliers to assess their adherence to ethical labor standards.

##### Engage Suppliers Directly

Distribute targeted supplier questionnaires to gather detailed information on labour practices, risk mitigation strategies, and compliance with ethical standards. Where necessary, conduct audits—either independently or through third parties—to verify responses and ensure adherence to Lorna Jane's expectations for ethical procurement.

These actions will allow us to deepen our understanding of modern slavery risks within our non-trade procurement supply chain and implement meaningful strategies to address them in partnership with our suppliers.





A scenic view of a beach at sunset or sunrise. The sky is a soft, hazy orange and yellow. The ocean is a deep blue, with white-capped waves breaking onto a wide, sandy beach. The sand is a mix of light and dark tones, suggesting shadows and wet areas. In the background, a dark, forested hill or dune line stretches across the horizon. The overall mood is peaceful and serene.

Training, Capacity Building  
& Collaboration



## TRAINING, CAPACITY BUILDING & COLLABORATION

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Lorna Jane is committed to enhancing skills, awareness, and collaboration in addressing modern slavery across our supply chains. By implementing targeted training and fostering strategic partnerships, we aim to uphold ethical standards and empower workers at every level.

### Key Actions in FY24

In FY24, we expanded training and capacity-building initiatives both within Lorna Jane and with our primary production partner, Active Apparel Group (AAG), to strengthen a culture of ethical responsibility:

#### 1. Departmental Modern Slavery Training

At our head office, each department participated in an interactive workshop tailored to address the specific modern slavery risks relevant to their roles. These hands-on sessions, led by Lorna Jane ESG Manager, included activities designed to help teams identify and navigate risks specific to their functions, such as procurement, logistics, or product design.

Through these workshops, employees worked through real-life scenarios and case studies, fostering a deeper understanding of how their responsibilities intersect with modern slavery risks and aligning their daily practices with Lorna Jane's broader commitment to human rights.

#### 2. Watchdog E-Learning Module

100% of our C-Suite, Marketing, Customer Care, Production, Sales and Operations, Merchandise and Stock Management, and Design team members are assigned Modern Slavery training upon commencement of employment and complete it every 12 months thereafter. This interactive module, provided through Watchdog, equips our teams with practical tools

to identify and address human rights risks. We're also planning to extend this training to our retail teams to ensure comprehensive awareness and commitment across the organisation.

#### 3. Preparation for RISE Worker Empowerment Program

Lorna Jane and AAG have agreed to conduct a joint project to explore the RISE worker empowerment program at the Ningbo Longson Garment Factory. This initiative will educate workers on their rights and provide tools for advocating for fair conditions, laying a foundation for greater engagement and workplace well-being.

#### 4. Grievance Mechanism at Ningbo Longson

AAG implemented a QR code-enabled, anonymous grievance system at Ningbo Longson, allowing workers to report concerns safely. In FY23, 22 grievances were filed, none related to modern slavery. This system aligns with our commitment to transparent and ethical practices by ensuring workers have a platform to raise concerns.

#### 5. Joint Training on Wage Standards and Labour Rights

Lorna Jane and AAG leadership participated in Oxfam-led sessions on modern slavery, living wage calculations, and labor rights. This collaboration reinforced our commitment to fair compensation and enhanced our ability to address wage standards ethically across our supply chain.

#### 6. Industry Collaboration

We continue to engage with AAG, NGOs, and peer organisations to stay informed on best practices and evolving human rights risks. This collaborative approach supports continuous improvement in our risk management strategies.



Through these training, capacity-building, and collaborative efforts, Lorna Jane and AAG are fostering an informed, engaged workforce and reinforcing a supply chain aligned with our ethical values. Our commitment to ongoing education and partnerships strengthens our ability to uphold responsible practices and drive meaningful change throughout our operations.



CASE STUDY

Advancing Living Wage  
Compliance at Ningbo Longson  
Garment Factory



## CASE STUDY

# Advancing Living Wage Compliance at Ningbo Longson Garment Factory

At Lorna Jane, our commitment extends beyond delivering high-quality products; we prioritise social responsibility and the well-being of workers throughout our supply chain. Over FY23 and FY24, we worked in partnership with Active Apparel Group (AAG) to implement living wage practices at Ningbo Longson Garment Factory, our primary production facility in Zhejiang, China. This initiative aligns with our broader mission to uphold ethical practices and advance worker welfare.

### Background and Purpose

Ningbo Longson Garment Factory, a key partner in producing Lorna Jane's activewear, has been integral to our supply chain for over two decades. In FY23, AAG and Lorna Jane reaffirmed their commitment to worker welfare by conducting a comprehensive review of wage practices at Ningbo Longson, using the Anker methodology to define a living wage benchmark.

As part of this process, AAG engaged Bureau Veritas to conduct an independent audit to benchmark local wages against this living wage standard. The audit highlighted areas for improvement and provided a roadmap for meeting the higher wage standard, exceeding the local minimum wage by 29%.

### Findings from the Living Wage Audit

The audit conducted by Bureau Veritas in October 2023 identified a small gap between current wages and the calculated living wage benchmark of RMB 3,480 per month (approximately AUD 740). This benchmark was determined to cover essential living costs, including housing, food, healthcare, and education, ensuring workers and their families could achieve a decent standard of living.

While most workers at Ningbo Longson were already receiving competitive wages within the industry, the audit confirmed that adjustments were required to align fully with the living wage standard.



## CASE STUDY

# Advancing Living Wage Compliance at Ningbo Longson Garment Factory

### Corrective Actions and Back-Pay Initiative

Following the audit, AAG and Lorna Jane collaborated on implementing a series of corrective actions to close the wage gap:

#### 1. Retroactive Wage Adjustments

Beginning in FY23, a back-pay program was implemented to ensure all workers received wages that met or exceeded the calculated living wage benchmark for every month since January 2023. This adjustment recognised workers' contributions and demonstrated a commitment to equitable compensation.

#### 2. Formalised Wage Review Processes

In FY24, AAG introduced a structured annual wage review process. This ensures that wages remain aligned with living wage benchmarks, taking into account fluctuations in living costs and regional economic conditions.

#### 3. Wage Protection Measures

Minimum wage thresholds were established at Ningbo Longson to guarantee all employees receive a living wage. These measures formalised AAG's commitment to sustainable wage practices across its operations.

### Strengthening Governance

In FY24, AAG enhanced its governance mechanisms at Ningbo Longson by integrating the findings from the living wage audit into its broader compliance framework. Regular WRAP and SMETA audits further reinforced transparency and accountability. These audits identified and addressed challenges such as excessive overtime while confirming progress on living wage commitments.

AAG also emphasised worker engagement by improving grievance mechanisms and conducting workforce consultations. These efforts ensured that workers' voices were heard and that corrective actions reflected their needs and concerns.

### Looking Ahead

Building on the progress achieved in FY23 and FY24, Lorna Jane and AAG are set to implement the RISE initiative in 2024, focusing on gender equity and workforce empowerment at Ningbo Longson. This program aims to further enhance the factory's social and ethical standards by addressing broader systemic challenges in the apparel industry.

### Lorna Jane's Journey to Living Wage Recognition

In parallel with this initiative, Lorna Jane was recognised as the first brand on Oxfam's What She Makes tracker to close the wage gap. Through measures like wage gap analysis, back-pay programs, and wage guarantee agreements, we demonstrated compliance with every element of the living wage benchmark. Oxfam verified that our approach ensured a decent standard of living for workers and their families.

*“Oxfam verified that wages met every element of the living wage benchmark, ensuring a decent standard of living for workers and their families.”*

### Conclusion

This case study exemplifies the power of long-term supplier relationships in driving systemic change. Rather than pursuing short-term cost savings, Lorna Jane and AAG's partnership reflects a shared commitment to ethical practices and continuous improvement. Together, we are setting a new standard for fair compensation in the apparel industry and demonstrating what is possible through sustained collaboration.

A woman with dark hair in a ponytail, wearing a pink sports bra and black shorts, stands on a grassy hill overlooking the ocean. She has her right hand raised to her forehead, shielding her eyes from the sun. The background shows a vast blue ocean with white waves crashing against a sandy beach under a clear sky.

Monitoring & Measuring  
Our Effectiveness

## MONITORING & MEASURING OUR EFFECTIVENESS

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Lorna Jane is committed to ongoing monitoring and evaluation of our modern slavery risk management practices across operations and supply chains. We utilise a combination of quantitative and qualitative measures to assess the effectiveness of our policies, supplier engagement, training programs, and remediation processes. To maintain a responsive approach, we regularly review and adapt our methods to incorporate industry best practices and emerging insights.

### Effectiveness Measures and Indicators

Area	Objectives	Effectiveness Indicators
Policy Implementation	Ensure anti-modern slavery policies are accessible, understood, and applied by all stakeholders.	<ul style="list-style-type: none"><li>- Policies reviewed and updated</li><li>- Supplier and staff accessibility</li></ul>
Supply Chain Risk Assessment	Identify and monitor modern slavery risks across all supplier tiers, leveraging Fair Supply's data-driven risk assessment tools.	<ul style="list-style-type: none"><li>- High-risk suppliers identified and monitored</li><li>- Frequency and coverage of risk assessments</li></ul>
Training and Capacity Building	Provide targeted training on modern slavery and human rights to Lorna Jane staff and suppliers.	<ul style="list-style-type: none"><li>- Number of training sessions delivered</li><li>- Percentage of workforce and suppliers completing training</li></ul>
Audit Compliance	Conduct regular audits and implement corrective actions for non-compliance.	<ul style="list-style-type: none"><li>- Percentage of suppliers audited</li><li>- Resolution rate of non-compliance issues</li></ul>
Grievance Mechanisms	Maintain accessible grievance channels and ensure prompt resolution of issues.	<ul style="list-style-type: none"><li>- Number and resolution rate of grievances filed</li><li>- Response time to grievances</li></ul>
Living Wage Standards	Monitor and uphold living wage standards at key production sites.	<ul style="list-style-type: none"><li>- Annual wage assessments conducted</li><li>- Compliance with living wage benchmarks</li></ul>

## MONITORING & MEASURING OUR EFFECTIVENESS

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### Supply Chain Risk Assessment with Fair Supply

Lorna Jane's collaboration with Fair Supply enhances our ability to identify and address modern slavery risks using multi-tier data analysis. Fair Supply's tools enable comprehensive risk assessments that extend beyond Tier 1 suppliers, helping us prioritise due diligence efforts in high-risk sectors. By incorporating Fair Supply's insights, Lorna Jane strengthens its commitment to responsible business practices and transparent supply chain management.

### Third-Party Validation of Effectiveness: Oxfam and BWA

#### Oxfam's What She Makes Tracker

Recognises Lorna Jane as the first brand to achieve a living wage target for garment workers, reinforcing our dedication to fair wages and transparency.

#### BWA Ethical Fashion Report

Reflects an improved score from 20 to 40, underscoring Lorna Jane's progress in responsible purchasing, fair wage practices, and human rights standards.

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These validations from respected third parties substantiate the effectiveness of Lorna Jane's modern slavery initiatives and reinforce our commitment to ethical supply chain management.







## Process of Consultation

This statement has been prepared in consultation with all relevant reporting entities within Lorna Jane, including owned and controlled entities, to ensure alignment and oversight in addressing modern slavery risks across our operations and supply chains.

Each entity covered by this statement, including those owned and controlled entities:

- Shares common directors
- Operates from the same registered office, except where local requirements mandate a separate registered office (e.g., Singapore)
- Adheres to consistent policies, codes, and procedures
- Operates within the apparel and activewear sector
- Relies on shared suppliers
- Reports to a centralised executive team

Consultation with senior management, executives, and directors across these entities has been integral in developing this statement and guiding actions during the reporting period. Key elements of the consultation process included:

### **Regular Executive Meetings**

Directors and executives convened regularly to discuss, review, and approve key issues, actions, and recommendations related to managing modern slavery risks.

### **Documented Communication**

Updates, actions, and findings on modern slavery initiatives were communicated and reviewed through structured email correspondence and document exchanges.

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This collaborative process ensures alignment across all reporting entities, reinforcing Lorna Jane's unified approach to identifying and addressing modern slavery risks.

Looking Forward



Lorna Jane is dedicated to continuously improving our approach to modern slavery risk management and strengthening the ethical integrity of our operations and supply chains. The following goals will guide our initiatives in the coming year.

### **Enhanced Risk Management for Non-Trade Procurement (NTP) Suppliers**

We are implementing targeted risk mitigation for high-risk NTP suppliers who have completed a detailed questionnaire on the Fair Supply platform, enabling focused oversight and improvement efforts.

### **Audit Renewal and Supplier Support**

We will support suppliers in maintaining and renewing audit certifications to align with our Approved Factory Program standards, promoting ongoing compliance and high ethical standards.

### **Policy Review and Enhancement**

Regularly reviewing and updating Lorna Jane's Code of Conduct and related policies to strengthen protections against modern slavery and ensure alignment with industry best practices.

### **Expanded Training and Awareness**

Building on current training initiatives to deepen staff and supplier knowledge on modern slavery, human rights, and responsible

purchasing. This includes specialised training for retail staff and onboarding programs for new hires.

### **Refined Monitoring and Metrics**

Improving monitoring practices and introducing new metrics to better assess the effectiveness of our anti-slavery initiatives, including compliance rates, supplier engagement levels, and grievance resolution.

### **Worker Empowerment Initiatives**

In collaboration with Active Apparel Group, we will launch the RISE worker empowerment program at the Ningbo Longson Garment Factory to support worker rights, enhance workplace conditions, and promote a culture of empowerment.

### **Living Wage Targets**

Continuing to implement and monitor living wages across our primary supply chain, with plans for annual wage evaluations as part of Oxfam's What She Makes framework, reinforcing our leadership in fair wage practices.

### **Social Compliance Expansion to Fabric Mills**

Extending our social compliance program to cover fabric mills, bolstering our commitment to traceability and accountability in sourcing raw materials.

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Through these goals, Lorna Jane remains committed to cultivating an ethical, responsible, and sustainable supply chain that reflects our values and positively impacts the global community.



# Appendix



## Initial Risk Assessment Methodology Summary

To thoroughly assess modern slavery risks within our supply chain, Lorna Jane applied an initial risk assessment methodology for our key suppliers. This baseline exercise establishes a foundation for our ongoing due diligence and remediation activities, supporting continuous improvement in addressing modern slavery risks throughout our supply chains.

### 1. Scope of Assessment

This initial risk assessment methodology was applied to our key suppliers. The baseline findings inform our ongoing due diligence and remediation activities across the present reporting period and future years.

### 2. Supply Chain Mapping and Multi-Tier Analysis

Utilising company spend data across global markets, we engaged external consultants with proprietary technology to trace the economic inputs across multiple tiers of our supply chain, from Tier 1 suppliers to Tier 10. This comprehensive mapping includes tracing connections between our Tier 1 suppliers and subsequent tiers all the way to the 10th level, identifying the flow of materials, goods, and services.

### 3. Data Sources for MRIO (Multi-Regional Input-Output) Table

The supply chain mapping process employed a balanced, global Multi-Regional Input-Output

(MRIO) table that integrates supply chain data from 190 countries and covers 15,909 industry sectors. The MRIO table incorporates data from the following key sources:

- United Nations' System of National Accounts
- UN COMTRADE databases
- Eurostat databases
- Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO)
- Various national agencies, including the Australian Bureau of Statistics

### 4. International Standards and Indices

To contextualise modern slavery risks within our supply chain, the MRIO table was examined against prominent international standards:

- The UN Guiding Principles on Business and Human Rights
- The Global Slavery Index
- International Labour Organisation (ILO) Global Estimates of Modern Slavery

- United States' Reports on International Child Labour and Forced Labour

### 5. Risk Profiling Algorithm

A proprietary algorithm was then applied to synthesise publicly available risk data against the MRIO table, creating a modern slavery risk profile for each supplier up to Tier 10. This profiling process provides a comprehensive risk view, enabling us to identify high-risk areas within our supply chain.

### 6. Limitations of Risk Identification

The purpose of this analysis was to identify potential modern slavery risks under the Modern Slavery Act 2018 (Cth). It does not confirm the actual presence or absence of modern slavery within Lorna Jane's supply chains and operations. The analysis was conducted at the industry and country level and does not account for specific variances at the entity, region, or product level.

### Initial Risk Assessment Methodology Summary CONTINUED

#### 7. Outputs of the Risk Assessment

The multi-faceted risk assessment approach included the following analyses:

- Identification of suppliers and industries with the highest modern slavery risk.
- Supply chain mapping, visually representing the structure of Lorna Jane's supply chains for the top three Tier 1 industries.
- Plotting of modern slavery risks across supply chain tiers, up to Tier 10.
- Geographic visualisation of cumulative modern slavery risks in our supply chain.
- Classification of the first tier of suppliers by country and industry, including associated modern slavery risks.

#### 8. Identification of Key Suppliers

Based on this comprehensive risk analysis, suppliers within our supply chains that posed elevated modern slavery risks were identified. These insights are now informing Lorna Jane's targeted monitoring and remediation strategies within our broader ethical sourcing program.