

Identification of the Reporting Entity and Consultation Process



Identification of the Reporting Entity

This Modern Slavery Statement has been prepared in accordance with the *Modern Slavery Act 2018 (Cth)* and covers the reporting period from 1 August 2024 to 31 July 2025 (FY25).

The statement is submitted by APG & Co Pty Ltd (ABN 57 152 250 946) on behalf of its owned and controlled entities operating under the retail brands Sportscraft, SABA, and JAG. These entities are wholly owned by the Beaujolais Unit Trust, which privately owns and controls the APG & Co Group.

During FY25, Willow ceased to be part of the APG & Co portfolio and is therefore not included within the scope of this statement. The reporting scope applies to APG & Co Pty Ltd and its controlled entities only.

This statement outlines the actions taken by APG & Co to identify and address the risks of modern slavery practices within our operations and supply chains, and the measures implemented to strengthen governance, traceability, and supplier engagement.



Consultation Process

The preparation of this statement involved extensive consultation and collaboration across APG & Co's operations and its controlled entities.

Information was gathered through engagement with internal stakeholders including senior management, sustainability, supply chain, procurement, buying, product development, finance, and offshore compliance teams. These consultations ensured that the perspectives of all relevant business units were reflected accurately.

Consultation also included direct engagement with suppliers through ongoing communications, the annual Supplier Conference, and feedback collected via the Retraced digital platform and social audit programs. Supporting information was drawn from supplier audit reports, wage and compliance documentation, purchasing records, and risk-mapping outputs from the Living Wage Gap Analysis.

Following review and endorsement by the Audit Committee, the statement was approved by the Board of APG & Co Pty Ltd as the principal governing body on behalf of the Beaujolais Unit Trust and signed by a responsible member in accordance with sections 13 and 14 of the *Modern Slavery Act 2018 (Cth)*.

Governance

Audit Committee

At APG & Co, our commitment to human rights and responsible business practices is upheld at the highest level of governance. The Board is dedicated to ensuring compliance with our Supplier Code of Conduct and Global Sourcing Principles, with oversight from the Audit Committee.

The Audit Committee, comprising the Chief Executive Officer, Chief Financial Officer (CFO & Chief Operating Officer), Group Financial Controller, and two independent Board members, oversees enterprise risk management, internal controls, compliance, and corporate governance.

In FY25, the Committee increased the frequency of sustainability and supplier compliance reporting from biannual to quarterly meetings to ensure continuous oversight of modern slavery and human rights initiatives. These sessions now include structured updates from the Sustainability Manager, creating opportunities for open discussion on progress, challenges, and areas requiring senior-level intervention.

The Audit Committee's agenda now integrates sustainability alongside financial and operational performance, reinforcing APG & Co's approach to responsible governance as a shared leadership responsibility.

Finance and Operations

Effective 1 July 2024, the CFO's role was expanded to include the title of Chief Operating Officer (COO) to ensure cohesive oversight of business operations and strategic implementation. The CFO & COO now oversees the Finance, Sustainability, Supply Chain and Logistics, Strategy and Commercial, and Technology and Digital Infrastructure departments.

This change aligns decision-making and accountability for financial stewardship, supplier engagement, and sustainable operations under one leadership portfolio. It reflects APG & Co's intention to embed responsible and sustainable thinking directly into operational and commercial planning processes.

Sustainability Department

In January 2024, APG & Co reaffirmed its sustainability agenda, initiating a strategic realignment that culminated in the creation of the Sustainability Department, formerly the Social and Environmental Department.

Effective from 1 August 2024, the department was formally renamed to better reflect its purpose and alignment with global sustainability standards. Led by the Sustainability Manager, who reports directly to the CFO & COO, the department drives the company's ethical sourcing, supplier engagement, and modern slavery compliance programs.

In FY25, the team coordinated the launch of several major initiatives, including the Living Wage Gap Analysis across 24 key suppliers, SEDEX onboarding and SMETA 4-Pillar audit rollout, a comprehensive supplier policy review, and enhancements to both the anonymous grievance and worker voice tools.

Modern Slavery and Audit Team

In FY25, APG & Co strengthened its supplier oversight model to align with international best practice. The Senior Global Compliance Officer role, based in China, remained active throughout FY25 to complete all Tier 1 supplier audits before the position was concluded in August 2025.

This transition supported APG & Co's investment in SEDEX membership, introducing a centralised system for supplier monitoring and Corrective Action Plan (CAP) tracking through the SMETA 4-Pillar audit framework. All Tier 1 suppliers are now required to be SEDEX members and undergo independent, third-party audits conducted to globally recognised standards.

Oversight of the modern slavery and audit program now sits within the Sustainability Department, under the Sustainability Manager and in collaboration with the Production and Ethical Manager in China and the General Manager - Supply Chain and Logistics in Sydney. Together, they oversee modern slavery due diligence, audit execution, supplier traceability, and worker welfare initiatives, supported by external consultants and industry partners.

From the CEO

I am proud to present APG & Co's sixth Modern Slavery Statement, which demonstrates the progress we have made across all key focus areas and the continued commitment to addressing modern slavery risks within our operations and supply chain. This year marked a significant step forward in embedding our ethical sourcing commitments into every aspect of our business – strengthening transparency, consistency, and accountability across our value chain.

In FY25, we advanced work across the focus areas identified in our previous statement. Guided by our sustainability strategy, our priority this year was to embed best practice: strengthening supplier visibility, refining our onboarding and due diligence framework, and standardising audit procedures across all production locations and Tier 1 facilities. This approach has allowed us to ensure that all new and existing suppliers align with APG & Co's ethical expectations from the outset.

A major milestone was the full rollout of SEDEX and SMETA 4-Pillar audits across our global Tier 1 suppliers. This transition has standardised monitoring across regions, improving our ability to track compliance and identify emerging risks. Regular factory audits and Corrective Action Plans have ensured that issues are promptly identified and remediated, with performance improvements tracked through our Compliance and Sustainability teams.

We also strengthened our traceability systems through the Retraced platform, expanding mapping to include multiple supply chain tiers and building detailed visibility into the origins of key raw materials. Complementing this was our Responsible Materials Transition Program, which is driving increased sourcing of certified and sustainable materials. Together, these initiatives represent a significant leap forward in transparency and accountability.

Our externally led Living Wage Gap Analysis, conducted across 25 production facilities, gave us data-driven insight into wage alignment across our core manufacturing regions. The findings informed a new three-part strategy focused on supplier education, collaborative improvement, and recognition of high performers at our Annual Supplier Conference - an event reinstated this year to encourage shared learning and dialogue across our network.

We continued to strengthen our worker voice and grievance mechanisms with Whispli, to operate an anonymous, multilingual reporting platform across our major production hubs. Our Compliance Officer and Sustainability Manager led awareness campaigns on its use, ensuring workers are informed, confident, and protected when raising concerns.

Internally, we expanded modern slavery and ethical sourcing training for staff and suppliers, equipping them with the knowledge to identify, manage, and report risks. We also completed a comprehensive review of our supplier onboarding and policy frameworks, ensuring these reflect both local legal requirements and international human rights standards.

Governance of our modern slavery program remains strong. Our Sustainability Manager reports directly to the Chief Financial Officer, ensuring senior oversight and operational alignment. Modern slavery and sustainability updates are now standing items at quarterly Audit and Risk Committee meetings, embedding human rights due diligence within enterprise-level decision-making. These meetings have fostered open dialogue between senior leadership, sustainability, and procurement teams, supporting informed and proactive risk management.

Looking ahead, our leadership team, including the CFO and General Manager of Supply Chain, will conduct supplier visits in China and Vietnam to further strengthen partnerships, reinforce expectations, and deepen understanding of local challenges and opportunities. This is in addition to regular supplier visits by senior leaders across China and Vietnam.

Addressing modern slavery is a continuous and collective effort. Through the actions taken this year, APG & Co has built a more resilient and transparent supply chain - one grounded in respect for human rights, responsible sourcing, and continuous improvement. We remain steadfast in our mission to ensure every product we make is created with integrity and accountability.



Elisha Hopkinson

Chief Executive Officer
APG & Co

This Modern Slavery Statement was approved by the Board of APG & Co on 13 January 2026 and is signed by the Chief Executive Officer as the responsible member of the principal governing body.

Our Structure, Operations, and Supply Chains

In FY25, APG & Co continued to strengthen its operational footprint across Australia, New Zealand, and its key sourcing regions, supported by a diverse and skilled workforce. By the end of FY25, the Group employed 862 people across its support offices, retail network, and offshore operations, reflecting ongoing growth and investment in responsible and sustainable operations.



Workforce Overview

AS AT 31 JULY 2025, APG & CO EMPLOYED:

APG& Co employs 836 staff across our head office and stores in Australia and New Zealand.	117	Support Office (Mascot, Sydney)
	684	Australian retail operations
	35	New Zealand retail operations
Offshore offices in Shanghai, China, Ho Chi Minh City, Vietnam and the Philippines.	17	Ho Chi Minh City, Vietnam
	5	Shanghai, China
	4	Philippines

This workforce structure supports APG & Co's design, sourcing, retail, logistics, and sustainability functions. The offshore offices play an integral role in supplier engagement, factory liaison, and production oversight to maintain quality and ethical standards across the supply chain.

Retail and Brand Footprint

At the close of FY25, APG & Co operated 325 retail stores and concessions across Australia and New Zealand under its three core brands - Sportscraft, SABA, and JAG.

THE RETAIL NETWORK INCLUDED:

51	Sportscraft freestanding stores (with 2 openings planned in FY26)
17	SABA freestanding stores (with 5 openings planned in FY26)
2	JAG freestanding stores (with 1 opening planned in FY26)
82	Sportscraft concessions at David Jones
82	SABA concessions at David Jones
36	JAG concessions at David Jones
2 Sportscraft and 1 SABA concessions at Ballantynes, New Zealand	

Shortly after year end, 40 Sportscraft concessions and 12 JAG concessions were opened in Myer. In addition to its physical retail presence, APG & Co expanded its e-commerce and online marketplace partnerships in FY25, adding Marks and Spencer UK and Myer Online. The Group's brands are also available through The Iconic, David Jones, Qantas Marketplace (SABA only), and Ballantynes NZ online marketplaces.

Organisational Structure and Brand Updates

APG & Co operates as a privately held group under the Beaujolais Unit Trust. The Group manages three core brands - Sportscraft, SABA, and JAG - each offering apparel and accessories designed in Australia and produced through a global network of Tier 1 suppliers.

During FY25:

- **Willow** ceased to be part of APG & Co's reporting group following the sale of all intellectual property to the Apparel Group.
- **JAG** discontinued its menswear line to focus exclusively on womenswear.
- **Sportscraft** discontinued its kidswear range and continues to focus on womenswear and menswear.
- **SABA** operations remained unchanged.

These refinements reflect APG & Co's focus on brand clarity, operational efficiency, and maintaining high ethical and quality standards across all product lines.

Modern Slavery and Compliance Team

In FY25, APG & Co maintained its dedicated internal sustainability and compliance structure to manage modern slavery risks and supplier performance.

The Sustainability Manager in collaboration with the Production and Ethical Manager based in China continue to lead supplier engagement and audit coordination and will remain in place for FY26. The Senior Global Compliance Officer role, which remained active throughout FY25, was concluded in August 2025 following the company's adoption of a global auditing framework through SEDEX.

APG & Co has now made SEDEX membership mandatory for all Tier 1 suppliers and implemented the SMETA 4-Pillar audit as the standard for supplier assessments. This transition ensures that all audits are conducted by certified third-party professionals and that supplier compliance and Corrective Action Plans (CAPs) are monitored transparently via the SEDEX platform.

All Tier 1 suppliers completed audits under the outgoing compliance framework before the transition. By the end of FY26, all Tier 1 suppliers will have completed their first full audit cycles under the SEDEX system. This shift reflects APG & Co's commitment to international best practice, transparency, and continuous improvement in human rights due diligence.

Governance and Oversight

The Group's sustainability and compliance functions report directly to the CFO and COO, ensuring alignment between operational decisions, financial management, and ethical sourcing objectives. The Audit Committee, which includes the CEO, CFO & COO, Group Financial Controller, and two independent Board members, now receives quarterly sustainability and supplier compliance updates, allowing senior leadership to provide oversight and guidance on social and environmental risks.

Our Product Suppliers

APG & Co sources finished products from a network of long-term Tier 1 manufacturing partners located in China, Vietnam, Indonesia, and India. These suppliers support production across APG & Co's three core brands - Sportcraft, SABA, and JAG - and operate in alignment with the Group's design, quality, and ethical sourcing requirements.

Production remains concentrated within these key hubs to maintain consistency in quality and supply chain efficiency. In FY24, APG & Co made the strategic decision to cease manufacturing in Sri Lanka and Bangladesh, consolidating production across its major sourcing regions.

APG & Co also maintains a small number of partnership and licensing production arrangements. Apparel Group, which separated from APG & Co in 2013, now independently owns the Willow brand and is responsible for its production and management. APG & Co no longer reports on or oversees Willow's manufacturing operations. However, Apparel Group continues to manufacture selected Costco ranges for APG & Co under a partnership model. In these cases, both companies share responsibility for supplier engagement, factory selection, and auditing in accordance with mutually agreed sourcing and compliance standards.

In addition, JAG accessories are produced under licence by Duraflex Australia. Compliance, product quality, and sourcing governance for these categories are managed jointly between APG & Co and its licensee.

Overall, APG & Co's sourcing model reflects a consolidated and stable supply chain, with manufacturing partners primarily based in Asia's established apparel production markets, complemented by specialist licensee and partnership arrangements in Australia.

[View our 2025 Supplier List](#)



Our Services (GNFR) Providers

APG & Co relies on a network of essential services and specialist providers that enable the effective operation of our head office, retail stores, and distribution facilities across Australia and New Zealand. These partnerships are integral to maintaining business continuity, workforce wellbeing, and customer satisfaction, and are managed under contractual arrangements that reflect APG & Co's standards for ethical conduct, safety, and legal compliance.

The key service categories supporting APG & Co's business operations during FY25 include:



Human Resources (HR)

Responsible for recruitment, onboarding, payroll, superannuation, and workplace relations. HR also ensures compliance with employment and workplace health and safety legislation, including the *Fair Work Act 2009 (Cth)*, and supports initiatives relating to employee wellbeing, diversity, and professional development.



Security Services

Cover on-site and head office security arrangements including CCTV monitoring, alarm systems, and controlled access across offices, warehouses, and retail sites.



Legal and Compliance Services

Provide expert advice on contractual matters, intellectual property protection, consumer law, privacy, and competition compliance. These functions also support APG & Co's broader sustainability and governance programs, ensuring the organisation operates within all applicable legal and ethical frameworks.



Facilities and Property Management

Oversee the maintenance and safe operation of APG & Co's physical sites, including system servicing, electrical and plumbing works, building repairs, car park maintenance, and energy management.



Customer Service

Manage customer interactions through call centres and online support teams, handling inquiries, complaints, product returns, and refunds to maintain high service standards across all brands.



Health, Safety & Emergency Services

Conduct regular workplace health and safety assessments, maintain fire safety systems, deliver first aid training, and coordinate emergency response procedures across all locations.



Finance and Accounting

Support the Group's financial management through bookkeeping, payroll processing, tax compliance, financial reporting, and budgeting functions.



Freight, Logistics, and Distribution

Coordinate domestic and international transport of goods from suppliers to distribution centres, as well as stock management, warehousing, and last-mile delivery for online orders.



Supply Chain and Inventory Management

Oversee vendor relationships, stock replenishment, demand forecasting, and distribution planning to ensure consistent supply across APG & Co's store network.



Learning, Training, and Development

Deliver ongoing training programs in sales, service, leadership, compliance, and ethical business practices. Training is delivered through both internal and external providers to support staff capability and performance.



Information Technology (IT) and Digital Support

Maintain the organisation's technology infrastructure, including installation and servicing of Point of Sale (POS) systems, hardware and software support, cybersecurity, and network maintenance across Australia and offshore offices.



Cleaning and Maintenance Services

Ensure the hygiene, presentation, and upkeep of all stores, offices, and warehouse facilities through daily cleaning, waste disposal, and recycling programs.



Marketing and Advertising

Develop and execute brand campaigns, digital marketing initiatives, in-store activations, signage, and promotional strategies to strengthen customer engagement and brand awareness.



Utilities and Sustainability Management

Manage essential utilities including electricity, water, and gas supply, as well as implementing sustainability initiatives aimed at energy efficiency, emissions reduction, and responsible waste management.

Through these operational functions and service partnerships, APG & Co ensures the efficient and ethical running of its business, enabling teams to deliver high-quality products and customer experiences while maintaining strong governance, compliance, and sustainability standards.



Our Modern Slavery Risks

Product-Related Risks

The global garment sector presents complex and systemic human-rights risks that affect all tiers of production - from raw material cultivation to fabric processing and final manufacturing. The Walk Free Foundation estimates that 50 million people are living in modern slavery globally, including 28 million in forced labour, while the International Labour Organization estimates that 160 million children are engaged in child labour. The fashion industry remains one of the world's most exposed sectors due to its structural dependence on low-cost production and its concentration in countries where labour protections are weak or unevenly enforced.

Structural Drivers of Risk

Global demand for low-priced, fast-turnaround garments has created intense competition among factories, with brands and buyers often pushing for lower prices and shorter lead times. These commercial pressures encourage the use of subcontracting, temporary work, and informal labour arrangements that conceal exploitation. Weak enforcement of labour standards in key production countries compounds this problem, as many suppliers depend on seasonal, migrant, or home-based workers who lack formal protections.

Geographic Risk Concentration

The principal sourcing countries for APG & Co - China, Vietnam, Indonesia, and India - each present distinct but interconnected risks. In China, reports of forced labour, excessive working hours, and restrictions on freedom of association remain significant, particularly in textile and cotton processing. In Vietnam, although legislative reforms have improved formal labour governance, migrant and contract workers still face coercive recruitment practices and excessive overtime. In India, the garment and textile sectors continue to rely heavily on informal work, with persistent risks of forced or bonded labour, especially for young women in spinning mills and home-based workshops. In Indonesia, informal production and subcontracted workshops create ongoing risks of child labour, low pay, and unsafe working conditions.

Material and Process Risks

Certain materials used within apparel supply chains carry particularly high risks. Cotton remains one of the most exposed commodities due to historical and ongoing reports of forced and child labour in its cultivation and processing, along with limited traceability once fibres are ginned and spun. Leather production in India is also high risk due to chemical exposure, unsafe tannery conditions, and informal subcontracting that obscures labour standards. Synthetic fibres and blended textiles further complicate traceability, as inputs are often sourced through intermediaries, making it difficult to verify ethical production practices.

Labour-Condition Risks

Garment workers in key sourcing markets frequently experience low wages, long hours, and limited collective-bargaining rights. Many workers earn below legal minimum wages, are paid by piece rate, or face pressure to complete unpaid overtime to meet production targets. Fatigue, job insecurity, and lack of access to grievance mechanisms further increase vulnerability to exploitation. Health and safety risks persist in factories and subcontracted facilities, including inadequate ventilation, exposure to hazardous chemicals, and insufficient emergency preparedness.

Gender inequality intensifies these risks. Women comprise the majority of the garment workforce but are often concentrated in the lowest-paid roles and face gender-based harassment, discrimination, and barriers to advancement. In some facilities, hostel-based female workers have reported restricted movement, verbal or physical abuse, and coercive working conditions that meet international indicators of forced labour.

Migrant and contract labour is common across the region, particularly in China and Vietnam. These workers are vulnerable to exploitation through recruitment fees, retention of identity documents, and threats of dismissal or deportation. Because migrant workers often lack legal recognition or union representation, they have limited avenues for redress.

Supply-Chain Governance Risks

Subcontracting remains one of the most entrenched structural weaknesses in the apparel sector. Factories frequently outsource work to smaller or home-based units to meet production deadlines, leading to a loss of visibility and oversight. Informal workshops commonly fall outside formal inspection regimes, leaving workers without contracts, minimum-wage guarantees, or access to safety protections.

Limited transparency and traceability exacerbate these risks. Textile and garment supply chains often span multiple processing stages and jurisdictions, and documentation gaps allow unethical practices to remain hidden. This opacity is particularly acute in the lower tiers of production, such as dyeing, finishing, and component manufacture, where many labour abuses occur undetected.

Purchasing practices also represent a systemic driver of modern slavery risk. Short lead times, late design changes, and cost reductions demanded by buyers can lead suppliers to impose unrealistic working hours, cut wages, or subcontract without disclosure. Such commercial pressure creates an indirect but significant link between brand decisions and exploitative practices within supplier operations.

Environmental and Community Risks

Environmental degradation in textile and leather processing intersects with labour exploitation. Workers are often exposed to toxic dyes, chemicals, and wastewater without protective equipment, while nearby communities face contamination of soil and water resources. These conditions reinforce cycles of poverty and vulnerability that sustain exploitative labour practices.

The Post-Pandemic Legacy and Ongoing Risk Context

The COVID-19 pandemic deepened existing vulnerabilities in the apparel sector. Order cancellations and delayed payments from global buyers forced many factories to dismiss workers without pay or benefits. Wage theft, unpaid overtime, and deteriorating working conditions became widespread. Women and migrant workers were disproportionately affected, with many taking on informal debt or hazardous work to survive. Although production has largely recovered, these shocks exposed how fragile protections for workers remain.

Regulatory and Global Oversight Context

International attention is now shifting from voluntary reporting to mandatory due diligence. The European Union's Corporate Sustainability Due Diligence Directive and similar laws in Germany and France are reshaping expectations for corporate accountability. Australian companies sourcing through these jurisdictions must anticipate greater scrutiny over their own human-rights due diligence and remediation processes. The fashion sector remains under particular focus due to its persistent exposure to state-imposed forced labour, inadequate living wages, and lack of effective remediation for affected workers.

Services-Related (GNFR) Risks

Human Resources (HR)

The use of external recruiters or labour-hire firms may create risks of worker-paid recruitment fees, document retention, or misrepresentation of employment terms. Payroll and superannuation outsourcing can also mask underpayment, insecure work arrangements, or excessive hours where oversight is weak.

Security Services

This sector is consistently high risk in Australia due to long night shifts, low pay, and complex subcontracting chains. Migrant and visa-dependent workers may experience coercion, unpaid overtime, or limited freedom to leave employment. Lack of union access and poor record-keeping further heighten vulnerability.

Legal and Compliance Services

While the legal sector is low risk in Australia, some administrative or data-processing functions may be outsourced offshore, exposing workers to long hours, low pay, or minimal social protections in jurisdictions with weaker labour laws.

Facilities and Property Management

Building maintenance, repairs, and energy servicing can involve short-term and subcontracted labour. These workers face elevated risks of underpayment, wage theft, and unsafe working conditions, particularly where work is performed after hours or through multiple labour tiers.

Customer Service

Outsourced call-centre and digital support roles can involve long or overnight shifts, performance quotas, and insecure contracts. When performed offshore, these services may rely on low-wage or temporary staff with limited labour protections and excessive working hours.

Health, Safety, and Emergency Services

Third-party safety contractors and training providers may rely on temporary or casual labour, creating risks of inconsistent pay, unpaid hours, or poor oversight of worker entitlements. Risks are typically low but require monitoring for subcontracting and fair-work compliance.

Finance and Accounting

Finance processing, bookkeeping, and payroll services can be exposed to risks where offshore shared-service centres are used. Common issues include excessive working hours, low pay, and inadequate labour rights protections. Where recruitment involves third parties, workers may face job insecurity or fee-based placement risks.

Freight, Logistics, and Distribution

This sector remains one of the highest-risk areas in Australia for labour exploitation. Long hours, piece-rate pay, labour-hire dependence, and subcontracted delivery arrangements increase exposure to underpayment, forced overtime, and unsafe working conditions. Vulnerable migrant workers are particularly at risk in warehousing and last-mile logistics.

Supply Chain and Inventory Management

Third-party supply chain coordinators and freight-forwarding partners can present risks through hidden subcontracting and opaque employment practices. Offshore data-entry or administrative support functions may involve low-wage labour and poor working conditions.

Learning, Training, and Development

The use of freelance or offshore training providers may expose workers to low pay, insecure gig-style contracts, or excessive workloads. Risks are higher where recruitment or subcontracting arrangements are poorly documented.

Cleaning and Maintenance Services

Cleaning remains a recognised high-risk sector in Australia. Widespread subcontracting, low wages, and the employment of migrant workers increase exposure to wage theft, forced overtime, and debt-based recruitment. Late-night shifts and cash-in-hand arrangements can further obscure exploitation.

Information Technology (IT) and Digital Support

IT and software support, particularly offshore or outsourced roles, can involve long hours, contract insecurity, and low pay. Risks also arise from labour-hire intermediaries and the misclassification of workers as independent contractors to avoid workplace protections.

Marketing and Advertising

Content creation, design, and promotional goods manufacturing may be outsourced to regions with weak labour laws. Risks include long hours, inadequate pay, and exploitative conditions for contract and creative workers involved in campaign production.

Utilities and Sustainability Management

Waste management, recycling, and facilities services pose risks of hazardous work, low pay, and limited job security, particularly for labour-hire or migrant workers. Complex subcontracting and informal waste-handling arrangements can conceal exploitative conditions.

Actions taken in FY25 to address our Modern Slavery Risks

In FY25, APG & Co continued to strengthen its human rights governance framework and enhance supply chain visibility to identify, mitigate, and prevent modern slavery risks across its global operations. The year saw substantial progress in formalising internal systems, reviewing policy frameworks, and extending traceability beyond Tier 1 suppliers. These actions form part of APG & Co's ongoing commitment to building an ethical and resilient supply chain.

Strengthening Our Policy Framework

In FY25, we strengthened the core of our modern slavery governance by reviewing, updating, and expanding our suite of interrelated policies that set clear standards for ethical business conduct, human rights, and responsible sourcing. These updates ensure alignment with international frameworks, including the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains.

At the centre of this framework is our **Supplier Code of Conduct**, which defines non-negotiable standards for all suppliers and authorised subcontractors. It requires compliance with International Labour Organization conventions and national labour laws and explicitly prohibits forced, bonded, or child labour. The Code mandates fair wages, safe working conditions, and the right to freedom of association and collective bargaining. It also prohibits recruitment fees, document retention, and any form of coercion or deception in employment.



CASE STUDY

Garment Factory – Working Hours and Fire Safety Improvements

As part of APG & Co's FY25 supplier onboarding process, a social compliance audit was conducted at a large garment factory employing more than 400 workers. The assessment aimed to verify compliance with APG & Co's Supplier Code of Conduct and Chinese labour regulations before approving production.

The audit identified two key areas requiring improvement, leading to an Orange rating. First, the factory's building fire safety certificate had not been updated following a recent warehouse reconstruction, creating a gap in documentation required for fire safety compliance. Second, overtime hours significantly exceeded both local legal and APG & Co standards, with some workers performing up to 120 hours of overtime per month and working as many as 13 consecutive days without rest.

In response, APG & Co worked with factory management to implement a detailed corrective action plan addressing both issues. The factory was required to renew its fire safety certificate, update emergency preparedness documentation, and verify compliance with fire authority requirements. Management also committed to restructuring shift schedules to reduce overtime hours and ensure compliance with rest-day regulations.

The supplier responded positively, showing full cooperation and intent to align with APG & Co's expectations. A follow-up audit was scheduled within four months to verify completion of all corrective actions before production approval.

This case demonstrates how APG & Co's audit and corrective action process operates in practice, ensuring that safety standards and fair working conditions are addressed prior to production and that ongoing supplier engagement supports sustainable compliance improvement.



Our 2025 policy update introduced specialised Codes of Conduct for each major supplier group - garment, jewellery, and brand partners - to ensure that expectations are tailored to the specific risks of each production category. The **Jewellery Supplier Code of Conduct** adds particular emphasis on traceability, transparency, and material integrity in higher-risk inputs such as metals and gemstones. It requires suppliers to maintain full traceability of materials, disclose manufacturing sources and certifications, and uphold compliance with product safety, environmental, and anti-corruption standards.

Supporting these Codes, the **Responsible Material Sourcing Policy** provides a structured framework for selecting and verifying materials used across our brands. It directs sourcing teams to prioritise certified, traceable, and responsibly produced inputs - such as recycled metals, organic cotton, and responsibly tanned leather - and to avoid high-risk materials linked to labour exploitation or environmental harm. This policy embeds human rights due diligence into procurement decisions, ensuring that ethical considerations extend from fibre to finished product. The supplier equivalent for this document is our **Global Sourcing Principles**, which clearly explain our sourcing and materials standards and all prohibited materials and sourcing regions. All Tier 1 suppliers sign this document at the time of onboarding, and we reiterate the key points in our annual supplier conference held online.

Our **Living Wage Policy** plays a pivotal role in addressing one of the root causes of modern slavery - income vulnerability. It adopts the Global Living Wage Coalition definition and outlines APG & Co's approach to assessing, benchmarking, and closing wage gaps across our supplier base. By integrating living wage principles into our sourcing strategy and supplier engagement, we are working towards fair compensation throughout our supply chain.

The **Hazardous and Restricted Substances Policy** reinforces worker safety and environmental responsibility by mandating strict controls over the use of hazardous chemicals in manufacturing. It requires suppliers to maintain complete chemical inventories, provide worker training on safe handling, and ensure traceable waste management. The policy aligns with international frameworks such as REACH and the ZDHC Manufacturing Restricted Substances List (MRSL), protecting both workers and communities from toxic exposure.

For product categories with higher compliance and consumer safety risks, such as jewellery, we introduced the **Statement of Chemical Compliance and Product Safety Declaration**. These documents formalise supplier obligations to meet defined limits on lead, cadmium, nickel, mercury, and other restricted metals. They require laboratory testing, certification, and safe disposal practices, ensuring alignment with EU REACH and the U.S. Consumer Product Safety Improvement Act. Together, they uphold transparency, worker safety, and consumer confidence in product quality.

Complementing these human rights and safety policies, our **Gender Equality Policy** - scheduled for review in early FY26 - will strengthen our commitment to inclusivity, non-discrimination, and equal opportunity across our global operations and supply chain.

Collectively, these policies form a cohesive governance system that embeds ethical and environmental responsibility across all business functions. They provide a foundation for proactive risk identification, transparent supplier engagement, and continuous improvement in human rights due diligence. By reinforcing expectations and strengthening compliance mechanisms, we continue to advance towards a fair, safe, and sustainable global supply chain.

CASE STUDY

Initial Audit and Decision to Defer Production

As part of APG & Co's due diligence before onboarding new manufacturing partners, a comprehensive social compliance audit was conducted for a knitwear factory located in southern China. The audit identified a series of non-compliances across worker documentation, health and safety, and payroll verification systems.

Key findings included the use of outdated worker identity documents, insufficient record-keeping to verify working hours and wages, and limited social insurance coverage for factory employees. In addition, several fire safety deficiencies were noted, including missing fire drill records and absent safety guards on some machinery. While the factory's management demonstrated willingness to address the issues and agreed to a corrective action plan, APG & Co determined that the risk level was too high for immediate production.

In alignment with its supplier onboarding policy, APG & Co deferred production until the factory can demonstrate sustained improvement and evidence of remediation. The compliance team will review progress through a follow-up audit in the next financial year before reconsidering onboarding. This case highlights the company's precautionary approach - prioritising worker welfare and legal compliance over short-term sourcing flexibility.

SEDEX Implementation and Audit Performance

In FY25, we took a major step forward in strengthening our supplier compliance and monitoring framework by transitioning to the SEDEX platform and embedding the **SMETA 4-Pillar Audit Framework** as a mandatory requirement for all Tier 1 suppliers. The four pillars - **Labour Standards, Health and Safety, Environment, and Business Ethics** - provide a structured and internationally recognised benchmark for supplier assessment, ensuring greater consistency and transparency across all production regions.

By the end of FY25, all Tier 1 suppliers had completed audits under our previous internal methodology, and onboarding to SEDEX was well advanced. This transition will be fully realised by FY26, when all Tier 1 suppliers will have completed their first full audit cycle under the SEDEX framework. Through SEDEX, we can now monitor supplier performance and review audit outcomes in real time. The system also enables us to track corrective action plans (CAPRs) and collaborate with suppliers operating in similar jurisdictions to identify systemic issues, share learnings, and promote continuous improvement.

As part of our broader modern slavery due diligence program, our FY25 audit cycle covered a range of operational and human rights themes including working hours, wages and benefits, social insurance coverage, occupational health and safety, fire safety and evacuation procedures, environmental management, and grievance mechanisms. We also verified that all active Tier 1 facilities maintained lawful employment practices and met our standards under the **APG & Co Code of Conduct** and **Global Sourcing Principles**.

Across all active suppliers, no factories were rated Red or identified with unaddressed major non-compliance. The majority of findings were procedural or administrative rather than severe or systemic. Common examples included expired fire or pressure vessel certificates, incomplete records of safety drills,

or gaps in training documentation. In some cases, we observed overtime hours exceeding legal thresholds due to production seasonality, and we worked with factory management to introduce shift scheduling and production forecasting improvements to manage peak periods responsibly.

Where occupational safety risks were identified, these were addressed promptly through the installation of protective guards on machinery, the provision of missing personal protective equipment (PPE), and refresher training for supervisors and workers on accident prevention and chemical handling. In environmental performance, several factories were supported to begin waste segregation, recycling programs, and improved water and energy monitoring. One facility piloted solar energy integration, demonstrating our collective commitment to sustainable production practices.

All factories rated Orange or Yellow were issued with corrective action plans, which are being tracked centrally through SEDEX and Retraced. Corrective actions were verified through photo evidence, document review, and where appropriate, follow-up visits conducted by our compliance and sourcing teams. Typical examples of closed actions included renewal of expired licences, updated emergency exit signage, evidence of wage and time-record alignment, and documented worker consultation sessions to strengthen grievance mechanisms.

In FY25, we also used audit data to identify trends that inform our long-term supplier engagement strategy. For example, while social insurance participation continues to improve across our supplier base, coverage gaps remain for short-term and contract workers in certain regions. We have initiated direct engagement with suppliers to help them align with national insurance requirements and to explore alternative mechanisms to extend basic protections to all workers.

Our approach remains collaborative, focusing on partnership, training, and capability-building rather than punitive measures. We believe that sustainable progress requires trust and shared accountability. During FY25, we saw measurable improvement in supplier responsiveness and compliance maturity, with the majority of corrective actions addressed within agreed timelines. In some cases, factories have voluntarily undertaken third-party training and environmental assessments beyond the scope of our original requirements, reflecting their growing commitment to responsible business practices.

These results reinforce the strength of our due diligence framework and demonstrate how structured engagement can lead to lasting improvement. As we complete the transition to SEDEX in FY26, our focus will remain on strengthening visibility across our supply chain, driving higher standards in labour and environmental performance, and ensuring that every product we make supports safe, fair, and sustainable work.

Key Findings from Our FY25 Supplier Audits

We conduct rigorous supplier audits as part of our commitment to ethical sourcing and the prevention of modern slavery. During FY25, we carried out comprehensive social compliance audits across our Tier 1 and Tier 2 supplier factories, including unannounced visits and in-depth reviews of subcontracted and informal units. These assessments form a core part of our due diligence program, ensuring that suppliers uphold APG & Co’s standards for fair labour, health and safety, and environmental responsibility.

We continued to strengthen our ethical sourcing oversight through comprehensive social compliance audits across our Tier 1 and Tier 2 supplier network. All audits assessed labour standards, health and safety, environmental management, and business ethics.

All supplier audits are categorised using a colour-coded compliance rating system aligned with industry best practice and APG & Co’s Code of Conduct. The ratings provide a consistent benchmark for evaluating factory performance and tracking remediation progress.

- **Green** indicates strong compliance with labour, health and safety, and environmental standards, with only minor observations requiring no formal corrective action.
- **Yellow** reflects minor non-compliance, such as administrative or procedural gaps that are readily addressed through a Corrective Action Plan.
- **Orange** denotes moderate non-compliance, typically involving systemic issues - such as incomplete worker documentation, overtime practices, or gaps in grievance systems - that require structured remediation and follow-up audits.

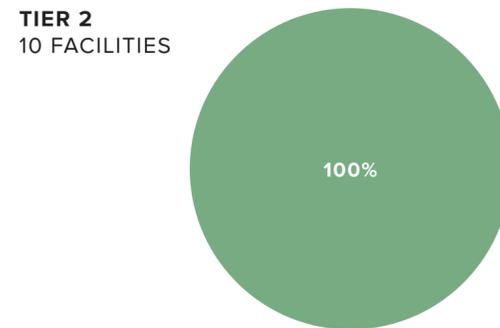
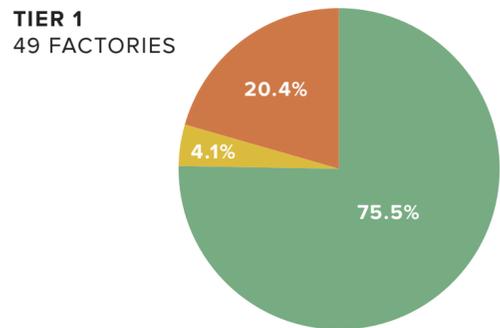
- **Red** highlights significant non-compliance or critical breaches, including any indicators of forced labour, child labour, or serious health and safety risks. Immediate escalation and suspension procedures apply in such cases.

This framework enables APG & Co to monitor supplier performance consistently, ensure accountability through Corrective Action Plans, and strengthen oversight across its global sourcing network.

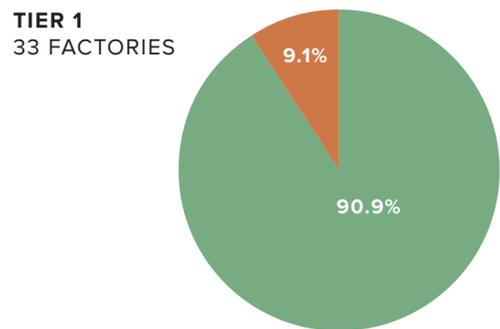
Across all regions, 92 factories and facilities were audited in FY25. The majority demonstrated strong compliance with APG & Co’s ethical sourcing and labour standards, with no Red-rated facilities identified. Findings within the Orange category primarily related to procedural issues such as incomplete training documentation, worker committee meeting records, or partial implementation of environmental controls.

Corrective Action Plans were developed for all Orange-rated factories, and monitoring will continue into FY26 to confirm completion. These results reflect steady progress in supplier performance and reaffirm APG & Co’s commitment to maintaining a transparent, fair, and modern slavery-free supply chain.

China Supplier Audits



Other Countries Supplier Audits



CASE STUDY

Non-Compliance with Record-Keeping and Social Insurance

During an initial audit of a mid-sized sportswear manufacturer in eastern China, several key governance and compliance issues were detected. The facility failed to provide complete attendance and payroll documentation, making it impossible to verify working hours or wage accuracy. Only a small proportion of workers were enrolled in social insurance schemes, with no coverage for occupational injury.

Additional safety-related observations included expired fire inspection documentation and missing safety guards on some machines. Although management cooperated fully with auditors and committed to corrective measures, the overall findings demonstrated a lack of robust human resources systems and weak governance controls.

In response, APG & Co issued a formal corrective action plan requiring the factory to renew all staff identification, update its time-keeping system, and implement comprehensive insurance coverage for all employees. Despite these commitments, the compliance review concluded that the supplier was not yet capable of meeting APG & Co's standards. We therefore decided not to proceed with production at this time. This case underscores the effectiveness of APG & Co's audit process in identifying operational risks before contracts are awarded, preventing potential human rights violations and future reputational harm.

CASE STUDY

Garment Factory – Audit Findings and Remediation

During FY25, APG & Co conducted a social compliance audit at a large garment factory as part of its supplier onboarding program. The facility employed around 170 workers and was assessed to verify alignment with APG & Co's Supplier Code of Conduct before production approval.

The audit identified moderate non-compliances, resulting in an Orange rating. While payroll and employment records were complete and wages met legal standards, two key issues were noted: some sewing and finishing machines lacked safety guards, and overtime levels exceeded both legal and company thresholds, averaging more than 90 hours per month.

APG & Co worked with factory management to develop a corrective action plan focusing on reducing overtime, ensuring regular rest days, and improving machine safety. The factory was required to install proper safety guards, update its training records, and monitor working hours to maintain compliance with labour law. A follow-up audit was scheduled to verify completion by November 2025.

The supplier demonstrated strong cooperation and commitment to improvement, and APG & Co will reassess the site once all corrective actions have been verified. This case reflects APG & Co's proactive approach to improving supplier performance through direct engagement, structured remediation, and independent verification.



Supplier Visits Update

In FY25, APG & Co strengthened its on-the-ground engagement with suppliers through multiple in-person visits across China, Vietnam, and India. These visits form a critical component of our due diligence and relationship-building approach, complementing our audit, training, and digital traceability programs.

Our Senior Global Compliance Officer completed all annual Tier 1 on-site audits in China before concluding her role in August 2025. Findings were recorded in Corrective Action Plans (CAPs) for suppliers rated Orange and Yellow, while Green-rated suppliers required no follow-up action. No evidence of labour hire firm use or temporary worker breaches was identified during these visits. One isolated administrative issue was noted - a worker's identification card had expired 11 days prior to audit and was immediately rectified by factory management.

In parallel, our Ethical Production Manager and Quality Controllers in China conducted regular visits to maintain close oversight of production quality, worker wellbeing, and ongoing supplier engagement. Similarly, our Head of Production and Merchandising team in Vietnam carried out routine site visits to manufacturing partners, ensuring compliance with APG & Co's standards on labour, safety, and product integrity.

During FY25, executive leadership visits were reinstated following COVID-related travel limitations. Our CEO, General Manager of Supply Chain, and Head of Global Quality visited key suppliers in China and Vietnam, while our Sustainability Manager conducted site visits to two suppliers in India. These visits provided valuable opportunities for direct dialogue with factory leadership and worker representatives, supporting continuous improvement in social and environmental performance.

A highlight of these engagements was an October 2024 visit to Chinese suppliers, focused on reviewing production blocks and assessing innovations in manufacturing. The leadership team observed significant advances in smart manufacturing, cleaner production technologies, and enhanced occupational health and safety systems. Many suppliers have invested in modern laboratories, chemical testing protocols, and quality assurance systems that exceed Australian regulatory requirements and align with EU standards.

Suppliers are also transitioning toward water recycling, renewable energy adoption, and waste reduction, demonstrating a shift toward long-term sustainability. Beyond compliance, these investments reflect a deepening maturity within APG & Co's supplier network - balancing efficiency, worker safety, and environmental responsibility.

The visits also highlighted macro-level industry trends: many Chinese manufacturers are pivoting toward local markets and European partnerships amid shifting trade dynamics, while simultaneously raising production standards to maintain competitiveness and meet global compliance expectations.

Collectively, these visits reaffirmed the value of maintaining strong relationships and regular engagement with our suppliers. They enable APG & Co to better understand supplier realities, share best practices, and co-develop solutions that enhance ethical performance, transparency, and worker welfare across our production base.

CASE STUDY

Critical Breach of Child Labour Standards

An initial audit conducted at a garment factory in coastal China revealed a critical breach of APG & Co's Code of Conduct: the employment of an underage worker. The individual, aged 16 yrs old, below the legal minimum working age, was not registered with the local labour bureau and had not undergone the required health examination.

The audit also identified multiple supporting deficiencies, including inconsistent production and attendance records, partial social insurance coverage, and expired pressure vessel certifications. These findings collectively represented serious gaps in worker protection and legal compliance.

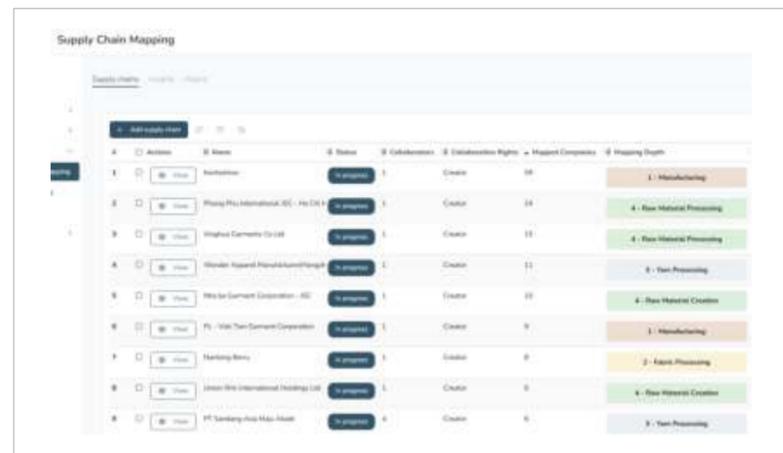
APG & Co immediately classified the supplier as ineligible for onboarding. A detailed report outlining the non-compliances and required remediation steps was provided to the supplier, along with recommendations for implementing a comprehensive age-verification procedure and stronger HR oversight. The case was escalated internally and logged as a high-severity incident under APG & Co's compliance governance system.

This case reinforces the company's zero-tolerance stance on child labour and its commitment to upholding international labour standards across all sourcing regions. The supplier will only be reconsidered for future production if full remediation and independent verification can be demonstrated in subsequent audits.

Expanding Traceability and Raw Material Visibility

In FY25, we advanced our digital traceability program through the Retraced platform, a cornerstone of our strategy to achieve visibility beyond Tier 1 manufacturing and strengthen due diligence across the deeper layers of our supply chain. This initiative builds on the pilot completed in FY24 and supports our long-term commitment to full transparency from fibre to finished garment, addressing the areas where modern slavery and environmental risks are most difficult to detect.

During the year, we transitioned from product-level tracing to Retraced’s enhanced Supply Chain Mapping feature. This capability allows suppliers to digitally map their own upstream networks across multiple production stages - from raw material creation and yarn processing to fabric production, leather tanning, and raw material refinement - without linking records to individual garments. By using this network-based model, suppliers can map beyond their immediate partners, creating an interconnected digital ecosystem that provides cumulative visibility across all users on the platform.



Retraced's enhanced Supply Chain Mapping interface

We extended this initiative to ten key Tier 1 suppliers representing our apparel, accessories, and leather goods production. Each supplier has now begun mapping its upstream partners, achieving varied levels of visibility ranging from Tier 2 through to Tier 6. By the close of FY25, all Tier 1 suppliers were fully onboarded and active on Retraced. Collectively, they mapped 67 Tier 2 entities, 33 Tier 3 facilities, 2 Tier 4 suppliers, 1 Tier 5 source, and 17 Tier 6 sources. These upstream connections span spinning mills, weaving and dyeing operations, fabric processors, leather tanneries, trims and early-stage raw material refiners.

One supplier example illustrates the practical impact of this approach. Through the Retraced platform, the supplier digitally traced its network from garment manufacturing through to raw material processing. Beginning with fabric weaving and dyeing partners, the mapping expanded to include yarn mills in industrial regions of China and Vietnam. Using Retraced’s chain-of-custody tool, the supplier linked each site to its respective raw-material processors, creating a verified digital chain from fibre to finished product. This exercise revealed several inter-tier overlaps - such as dyeing facilities serving multiple yarn producers - providing greater visibility of shared inputs and highlighting potential leverage points for joint engagement and risk management.

While these results mark significant progress, they also underline the inherent complexity of tracing global supply chains. Each Tier 1 supplier must connect directly with its Tier 2 partners, who in turn trace their own upstream sources. Progress can be slowed by communication gaps, incomplete documentation, and limited digital capacity at higher tiers, particularly in regions where record-keeping and compliance systems are still developing. Tracing back to raw fibre and agricultural stages remains especially challenging, given the fragmented nature of sourcing and the prevalence of intermediaries.

Despite these structural challenges, engagement from suppliers has been overwhelmingly positive. Our Tier 1 partners have shown strong commitment to transparency, investing substantial time in training, data validation, and system familiarisation. Many have actively collaborated with upstream partners to verify information and improve data accuracy. Their participation has not only enhanced visibility but also fostered greater trust and accountability throughout the network.

The insights gained from this work have already produced tangible outcomes. We have identified overlapping sourcing relationships - such as shared spinning mills and fabric processors across multiple Tier 1 suppliers - allowing us to coordinate ethical sourcing initiatives and streamline monitoring. The mapping has also sharpened our ability to assess risk geographically and by material type, improving precision in supplier engagement and remediation planning.

By the end of FY25, we confirmed verified sources of **Australian and GOTS-certified cotton** within our supply base, while continuing traceability work for other cotton varieties. We maintain a strict prohibition on the use of cotton from the Xinjiang Uyghur Autonomous Region (China), Uzbekistan, and Turkmenistan. These prohibitions are embedded within our Supplier Code of Conduct and Global Sourcing Principles, which all suppliers must sign before commencing production.

The expansion of Retraced has also required a significant capacity-building effort. Many suppliers needed support to upload documentation correctly and to create accurate chain-of-custody links between tiers. To assist, we introduced targeted workshops, peer-learning sessions, and direct technical guidance from our Sustainability Manager and platform specialists. These activities have been essential in building confidence, ensuring data integrity, and promoting consistent participation across supplier groups.

From a strategic standpoint, these investments are already yielding measurable benefits. The mapping process has enhanced our understanding of raw material flows, revealed connections between production tiers, and enabled data-driven risk prioritisation. It has also positioned us to integrate traceability results into the forthcoming SEDEX audit cycle, aligning social compliance verification with digital mapping data for the first time.

Looking ahead, we recognise that achieving full traceability to the raw fibre or farm level is a multi-year undertaking that depends on shared responsibility and technological collaboration. Throughout FY26, we will expand our use of Retraced to include additional Tier 2 and Tier 3 suppliers, strengthen verification and data validation processes, and begin integrating social and environmental performance indicators into the platform. Our goal is clear: to build a transparent, traceable, and ethically responsible supply chain that upholds the highest standards of human rights and sustainability.



Living Wage Program

In FY25, APG & Co advanced its commitment to fair remuneration by implementing a structured three-part program under its Living Wage Policy. The initiatives were designed to establish a measurable baseline, build organisational and supplier capability, and drive continuous improvement across the supply chain.

Living Wage Gap Analysis

In line with the commitment made in the FY24 Modern Slavery Statement, APG & Co engaged an independent third-party consultancy to conduct its first formal living wage gap analysis. The assessment covered 25 production facilities owned by 24 suppliers, selected based on production volume and strategic importance. Collectively, these suppliers represented over USD \$26 million in annual FOB value and produced approximately 1.4 million units, accounting for around 79 per cent of APG & Co's total annual output.

The facilities were located across China (16), Vietnam (7), Indonesia (1), and India (1). Each facility provided wage data, including payslips, worker contracts, and audit reports, which were benchmarked against recognised international frameworks - **the Global Living Wage Coalition (GLWC)** and the **Asia Floor Wage Alliance (AFWA)**. The GLWC, using the Anker Methodology, served as the principal benchmark, given its wide adoption and locally validated cost-of-living data.



The results showed a spectrum of alignment across suppliers:

- **High alignment (3 factories, 12%)** - these facilities met or exceeded the GLWC benchmark and approached AFWA standards, demonstrating leadership in wage practices.
- **Moderate alignment (8 factories, 32%)** - these facilities were near or met GLWC benchmarks and showed active engagement toward improvement.
- **Low alignment (14 factories, 56%)** - these suppliers met only local or national wage thresholds and require structured support to progress toward higher wage standards.





CASE STUDY

Living Wage Gap Analysis - FY2025

A living wage represents the income a worker needs to afford a decent standard of living for themselves and their family. It includes access to adequate food, housing, healthcare, education, and transportation, along with some discretionary income, without reliance on overtime or secondary employment.

In FY25, as committed in our previous Modern Slavery Statement, we commissioned an independent consulting firm to conduct a Living Wage Gap Analysis across our top 25 production facilities. These facilities are owned by 24 suppliers and collectively represent approximately USD 26 million in FOB value, producing 1.4 million units, or 74% of total annual garment production for APG & Co's brands.

The study evaluated wage practices against internationally recognised benchmarks - the Global Living Wage Coalition (GLWC) and the Asia Floor Wage Alliance (AFWA). Both frameworks aim to define wage levels that allow workers to live with dignity, but they use different methodologies. GLWC applies the Anker Methodology, a globally recognised and locally validated approach widely adopted across the apparel industry, while AFWA generally represents higher living wage estimates in Asia.

The assessment covered factories located in China (16), Vietnam (7), Indonesia (1), and India (1). Independent consultants reviewed pay slips, employment contracts, and audit reports to compare actual wages against GLWC and AFWA benchmarks.

Facilities were then mapped into three alignment categories:

Meet or exceed Local / National Wage

Status: Low alignment

Total: 14 facilities | China: 9 Vietnam: 5 Indonesia: 0 India: 0

Near or meet Global Living Wage Coalition (GLWC)

Status: Moderate alignment

Total: 8 facilities | China: 5 Vietnam: 1 Indonesia: 1 India: 1

Exceed GLWC, near Asia Floor Wage Alliance (AFWA)

Status: High alignment

Total: 3 facilities | China: 2 Vietnam: 1 Indonesia: 0 India: 0

Total sites assessed: 25 facilities | China: 16 Vietnam: 7 Indonesia: 1 India: 1

The results revealed that 44% of facilities (11 out of 25) demonstrated moderate to high progress towards living-wage alignment, while 56% (14 facilities) currently meet only the legal minimum wage thresholds in their respective countries. Encouragingly, three facilities - two in China and one in Vietnam - already pay above GLWC benchmarks and are close to achieving AFWA-level wages, demonstrating leadership in fair remuneration.

These findings highlight both progress and opportunity. Many suppliers have shown genuine commitment to improving wage transparency and management practices but face structural constraints such as low margins, regional wage disparities, and limited access to industry data. The analysis confirmed that continued engagement and capability-building are essential to help suppliers close the gap between minimum and living wages.

Based on the results, we have designed a three-pronged approach to support our suppliers as they advance towards fairer wage practices:

1. Education

We are expanding our supplier training program to include a new Living Wage module that provides practical guidance on GLWC's recommendations, cost-of-living calculations, and implementation strategies. The training will equip suppliers with clear actions to close wage gaps responsibly and sustainably.

2. Collaboration

We will work closely with key suppliers to understand local challenges and develop individual progress plans. These will include measurable targets, annual reporting, and shared accountability to ensure meaningful, steady progress toward living-wage alignment.

3. Acknowledgement

We will publicly recognise high-performing suppliers during our Annual Supplier Conference, celebrating leadership in fair wage implementation and reinforcing the business value of strong labour practices.

The Living Wage Gap Analysis provides a measurable baseline for future improvement. It has strengthened our understanding of where wage disparities exist, and how supplier engagement can drive better outcomes for workers.

Through FY26, we will continue to monitor wage alignment, provide technical guidance, and collaborate with suppliers to ensure that fair wages become standard practice across our global supply chain.

This initiative reflects our core belief that paying a living wage is central to preventing modern slavery, enhancing worker wellbeing, and supporting long-term sustainability in the apparel sector.

CASE STUDY

Garment Factory – Wage Adjustment and Safety Remediation

As part of APG & Co's FY25 audit and supplier onboarding program, a social compliance audit was conducted at a medium-sized garment manufacturing facility employing approximately 100 workers. The audit aimed to confirm compliance with APG & Co's Supplier Code of Conduct and national labour laws prior to establishing production.

The audit resulted in an Orange rating due to moderate non-compliances in health and safety and wage practices. While general working conditions were well maintained, several safety risks were identified, including missing guards on some machines and a lack of first aid kits in production areas. In addition, a wage gap was found among 18 retired re-hired workers, whose salaries were below the local minimum wage requirement. The facility also recorded 77 hours of monthly overtime, exceeding both legal and company thresholds.

APG & Co collaborated with factory management to implement a corrective action plan addressing these issues. The plan required the installation of safety guards, placement of first aid kits in all workshops, and immediate wage adjustments to meet the statutory minimum. Management was also instructed to improve overtime controls and ensure compliance with local working-hour laws. All corrective measures were scheduled for completion by November 2025, with a follow-up audit to verify implementation.

The supplier responded constructively, committing to full remediation and greater oversight of both wage compliance and workplace safety. This case demonstrates APG & Co's proactive due diligence approach - identifying and addressing risks before production begins, ensuring all new suppliers meet its ethical sourcing and modern slavery prevention standards.

Strengthening Our Vendor Onboarding

In FY25, we significantly strengthened our supplier onboarding and approval process to align with international best practice and enhance oversight of social, environmental, and ethical performance. This transformation coincided with the rollout of the SEDEX platform and the integration of the SMETA 4-Pillar Audit Framework, embedding structured due diligence across all new and existing supplier relationships.

The new onboarding process ensures that every supplier entering our network is assessed not only for quality and technical capability, but also for compliance with our human rights, labour, environmental, and product safety standards. Before any production begins, suppliers are required to complete a detailed onboarding package that includes signing the relevant Code of Conduct, agreeing to our Global Sourcing Principles, and submitting supporting documentation for review.

This year, we expanded our framework to introduce tailored Codes of Conduct for different supplier categories - garment, jewellery, and brand partners - recognising that each faces distinct risks and regulatory obligations. Supporting documents such as Statements of Chemical Compliance, Product Safety Declarations, and the revised Global Sourcing Principles have been incorporated into the onboarding checklist. Together, these instruments create a clearer and more consistent set of expectations, ensuring suppliers understand their responsibilities from the outset.

In addition to documentation and contractual requirements, we embedded supplier training and education into the onboarding process. New suppliers now participate in orientation sessions covering ethical sourcing, grievance mechanisms, modern slavery awareness, and transparency through SEDEX and Retraced. This ensures that compliance is not only a condition of entry but an ongoing learning process, helping suppliers to strengthen their own systems and governance.

The revised policies introduced in FY25 - covering hazardous substances, living wages, responsible material sourcing, and gender equality - directly reinforce this onboarding framework. Each policy has been integrated into the approval process through specific declarations, risk assessment tools, and supplier self-assessment templates. These updates help to align new entrants with APG & Co's wider commitments on human rights and sustainability from the beginning of the relationship.

By the end of FY25, our new onboarding system had established a consistent and data-driven approach to supplier approval. All new suppliers will be onboarded using the SEDEX framework, enabling centralised visibility of compliance data, audit outcomes, and corrective action progress. The result is a more transparent, accountable, and collaborative supply base - one positioned to meet the increasing expectations of regulators, customers, and stakeholders, and to support our long-term goal of an ethical and resilient global supply chain.

CASE STUDY

Leather Goods Factory - Compliance Review and Improvement Plan

As part of APG & Co's FY25 supplier onboarding program, a social compliance audit was conducted at a small leather accessories factory in southern China. The facility, employing fewer than 30 workers, was located in a multistorey industrial building and specialised in the production of belts and handbags. The audit identified several moderate non-compliances requiring remediation before the supplier could proceed to production.

The audit found that workers in glue-based production areas had not received occupational health checks, and the factory had not conducted an occupational risk assessment. Fire safety management required improvement, with extinguishers positioned on the floor and some machines missing safety guards. Excessive overtime was another concern, with some employees working more than 100 hours per month and up to 25 consecutive days without a rest day. Additionally, chemicals were unlabelled, and Material Safety Data Sheets (MSDS) were not available on site.

In response, APG & Co worked with factory management to develop a corrective action plan to address these issues. The factory was required to implement a formal health and safety system, label all chemicals correctly, provide MSDS documentation, and schedule medical examinations for exposed workers. It was also instructed to reduce overtime hours and introduce a rotating rest schedule to comply with Chinese labour laws. Fire safety and training documentation had to be updated, and quarterly fire drills introduced.

The supplier cooperated fully and committed to completing all actions by November 2025. APG & Co's compliance team will conduct a follow-up audit within four months to verify implementation. While production approval was deferred pending verification, the factory demonstrated a willingness to improve and engage constructively.

This case demonstrates how APG & Co applies its risk-based onboarding process to ensure that new suppliers meet legal and ethical standards before production begins, reinforcing its commitment to safe working conditions and responsible business conduct.



Our Modern Slavery Training

During FY25, modern slavery training remained a central action in our ongoing effort to strengthen human rights awareness and mitigate modern slavery risks across our operations and supply chain.

Internal Training

In FY25, we expanded our internal training program to ensure that all APG & Co staff - including corporate, retail, and production teams - received mandatory modern slavery awareness training. The training reinforced our responsibilities under the Australian Modern Slavery Act and our commitment to the UN Guiding Principles on Business and Human Rights. It provided practical guidance on identifying and managing modern slavery risks, with a particular focus on high-risk inputs such as cotton, metals, and logistics services.

Procurement, compliance, and sourcing teams completed enhanced modules tailored to their roles, focusing on responsible purchasing practices, supplier due diligence, and early detection of labour exploitation indicators. The course also explored how commercial decisions, such as production timelines and cost pressures, can influence working conditions, helping employees understand their role in driving ethical business outcomes.

Supplier Training

In parallel, we delivered supplier training sessions designed to help Tier 1 partners strengthen their own awareness and capacity to address modern slavery risks. This training was made available in **English, Mandarin, and Vietnamese** to ensure accessibility across our primary sourcing regions. It covered modern slavery fundamentals, applicable legislation, grievance mechanisms, and ethical recruitment. In addition, we have also conducted multiple training sessions on **Retraced** and are offering one-on-one support sessions for **SEDEX**. The sessions emphasised shared accountability, highlighting how proactive engagement between buyers and suppliers supports safer, more transparent supply chains.

Throughout FY25, our **Compliance and Sustainability teams** also integrated modern slavery awareness discussions into routine audits and supplier visits, reinforcing expectations and answering questions directly with factory management teams.

Furthermore, APG & Co also delivered targeted training to procurement, buying, and supplier management teams to ensure all relevant staff understood how commercial decisions - such as price negotiations, lead times, and order volumes - affect factory cost structures and wage outcomes. This initiative embedded living wage awareness within day-to-day business practices and reinforced APG & Co's commitment to fair purchasing principles. The training also incorporated modern slavery risk indicators, helping employees identify and escalate potential red flags related to excessive working hours, recruitment fees, or wage deductions.

In parallel, supplier engagement programs were expanded to include sessions on social auditing principles, gender equality, and worker voice. These sessions encouraged open dialogue between suppliers and APG & Co, fostering a collaborative environment focused on continuous improvement rather than compliance alone.

In FY26, this program will evolve into a Preferred Supplier Program, which will formally recognise and reward suppliers who demonstrate measurable progress toward living wage alignment and other human rights objectives. Priority sourcing consideration, shared learning workshops, and public recognition at the annual supplier conference will form part of this incentive structure.

Together, these actions reflect a systemic and data-driven approach to addressing one of the most complex root causes of modern slavery: inadequate and unequal pay. The outcomes of the FY25 Living Wage Gap Analysis mark an important step in building supplier accountability and transparency, ensuring that APG & Co's business practices not only comply with legal standards but actively contribute to advancing decent work, fair pay, and dignity for workers across its global value chain.

Our Annual Supplier Conference, held in October 2024, served as a key platform for engagement and training. All Tier 1 suppliers attended online and participated in sessions covering APG & Co's business strategy, compliance framework, traceability, and modern slavery program updates. Presentations from senior leadership underscored the importance of ethical conduct and supplier collaboration in achieving a slavery-free supply chain. Positive feedback from suppliers confirmed that the training improved understanding of compliance expectations and risk mitigation practices.

In December 2024, we also rolled out the Statement of Chemical Compliance to all Tier 1 suppliers, ensuring alignment between product safety, responsible chemical use, and broader human rights due diligence. This document is now embedded as part of our standard onboarding process for all new suppliers.

By embedding training, policy integration, and supplier engagement into our operational framework, we have strengthened our collective capacity to identify, prevent, and respond to modern slavery risks. These actions ensure that awareness and accountability remain active elements of our ethical sourcing program as we move into FY26.

Our Grievance Mechanism System

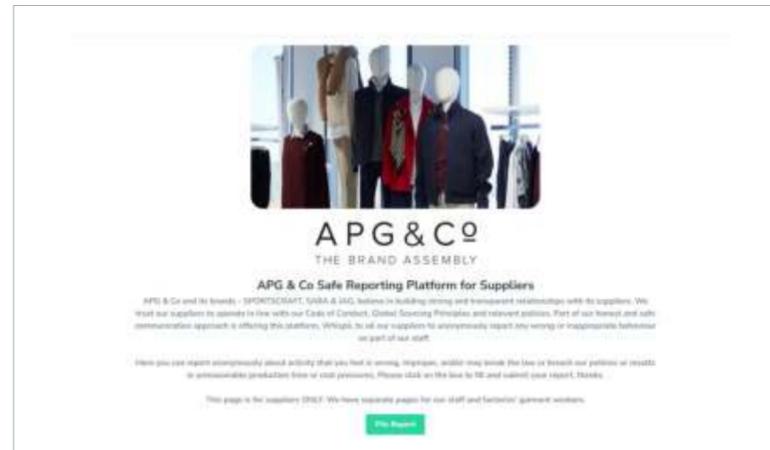
In FY25, APG & Co strengthened its grievance and worker voice systems through the ongoing rollout of its partnership with Whispli, an anonymous, multilingual reporting platform that enables workers across our supply chain to raise concerns securely and confidentially. The platform remains available in English, Mandarin, and Vietnamese, reflecting our primary production regions, and provides a direct communication channel between factory workers and our Sydney-based Sustainability Manager.

Building on the initial rollout in FY24, this year's focus was on reinforcing accessibility and worker awareness. Our teams in Shanghai, Ho Chi Minh City, and Sydney collaborated to conduct refresher training sessions and audits to ensure all Tier 1 suppliers continued to display QR codes and share awareness materials. During on-site assessments, our Compliance Officer verified visibility and worker understanding of the system, ensuring workers knew how to use it confidently.

During audit interviews, we encouraged workers to share feedback and reinforced that reports can be submitted anonymously without risk of retaliation. These sessions helped normalise open communication and promote a culture of trust.

All reports received through Whispli continue to be managed by our Sustainability Manager, who oversees triage, escalation, and resolution in collaboration with local audit and sourcing teams. Escalation procedures were strengthened in FY25 to ensure any issues related to modern slavery or labour exploitation trigger immediate review and appropriate corrective action.

APG & Co also launched a dedicated supplier grievance channel through the Whispli platform, providing a secure avenue for suppliers to raise ethical or compliance concerns directly. This channel is available in three languages as well. Awareness around the channel was created through an email campaign and during our supplier conference. In FY26, we will continue to work to promote both garment workers and suppliers' channels through multilingual collateral.



← APG & Co's dedicated supplier grievance channel via Whispli

APG & Co remains committed to maintaining a safe, accessible, and transparent grievance system that empowers all workers and suppliers to speak up freely, knowing every concern is handled with integrity, confidentiality, and care.

Collaboration, Capacity Building, and Industry Engagement

We recognise that eliminating modern slavery requires collective effort and shared accountability across industries and borders. Throughout FY25, we strengthened our participation in multi-stakeholder initiatives and continued to collaborate with global and local partners to improve labour rights, transparency, and responsible sourcing outcomes.

APG & Co remains an active supporter of the **International Labour Organization (ILO) Call to Action**, a global initiative designed to protect garment workers and sustain responsible manufacturing through ongoing supplier engagement and compliance monitoring. This work is complemented by our regular audits, corrective action programs, and capacity-building support for factories across Asia.

In FY25, we continued to contribute to global transparency by submitting our supplier list to the **Open Supply Hub**, providing open access to our Tier 1 manufacturing partners and supporting collaboration among brands, NGOs, and researchers. We also maintained our commitment to the **Transparency Pledge**, reaffirming our goal to make our sourcing practices visible and verifiable across the industry.

Our commitment to fair pay continued through the **Living Wage Working Group**, where we work alongside peer brands to share data, benchmark wage levels, and identify opportunities for wage improvement using the **Anker Methodology**. This collaborative approach helps us integrate fair-wage principles into procurement and supplier dialogue, ensuring that compensation practices within our supply base align with living-wage standards rather than minimum-wage thresholds.

The **Sustainability and Compliance teams** also worked directly with suppliers to build knowledge of responsible sourcing, modern slavery prevention, and fair labour practices. Training materials emphasised the importance of worker–management dialogue, collective bargaining, and gender equality in achieving long-term, sustainable change.

Through these collective actions and partnerships, we continue to evolve our due diligence systems to ensure that human rights, transparency, and ethical sourcing remain central to how APG & Co operates and grows.

Managing Modern Slavery Risks in Our Services and Operations

In FY25, APG & Co continued to strengthen oversight of its non-merchandise (GNFR) service suppliers by embedding human rights due diligence across procurement, contract management, and supplier engagement. Building on the groundwork established in prior years, our actions focused on reducing the risk of modern slavery in high-risk service sectors through enhanced screening, stronger contractual controls, and supplier training.

Freight and Logistics

We worked closely with logistics and warehousing partners to ensure safe and fair working conditions throughout the supply chain. Regular compliance reviews and on-site audits were conducted at key logistics hubs, with contractual obligations explicitly prohibiting forced overtime, wage withholding, or coercive practices. Suppliers were required to maintain transparent payroll records and ensure overtime was voluntary and compensated at the appropriate legal rate.

IT and Technical Support

APG & Co continued to engage IT service providers in countries with robust labour protections, prioritising those who demonstrated compliance with recognised labour and environmental standards for hardware sourcing. Due diligence was extended to subcontracted technical support providers, with verification of fair wages, working hours, and the ethical procurement of electronic components.

Recruitment and Human Resources Services

All recruitment agencies supplying labour to APG & Co or its partners were required to adhere to ethical recruitment practices, including zero recruitment fees, no document retention, and full transparency in hiring conditions. Contracts included clauses holding agencies accountable for fair and lawful treatment of workers, and random spot checks were undertaken to verify compliance.

Facilities and Cleaning Services

Facilities and cleaning contractors were re-assessed in FY25 to ensure compliance with fair wage standards, occupational health and safety regulations, and grievance mechanisms for workers. Subcontracting was prohibited without prior written approval, and APG & Co conducted additional checks to verify that workers in vulnerable roles were covered by appropriate protections and insurance.

Security and Utilities Management

Security and utilities providers were subject to regular reviews of wages, working hours, and safety compliance. Contracts required providers to demonstrate transparent labour practices, ensure regular rest breaks, and maintain written policies prohibiting forced labour. Waste management and maintenance contractors were required to submit evidence of safe handling procedures and to verify that no forced or bonded labour existed in their operations.

Customer Service, Finance, and Administrative Support

For customer service, accounting, and finance functions, APG & Co maintained partnerships with providers operating in low-risk jurisdictions or those with independently verified ethical employment systems. Contractual safeguards ensured all outsourced services met minimum wage and working-hour standards and were delivered under fair and safe conditions.

Marketing, Training, and Development Services

All creative and training service providers were screened for ethical employment practices. Procurement and HR teams participated in targeted training to identify modern slavery red flags in service contracts - particularly in high-risk categories such as logistics, cleaning, and security. These teams were equipped to assess risks related to subcontracting, lack of wage transparency, and restrictions on workers' freedom to resign.

Through these measures, APG & Co has further embedded responsible sourcing practices across its operational footprint. The company's FY25 focus has been on raising supplier awareness, improving transparency through due diligence and contract reform, and strengthening enforcement of ethical labour standards across all non-merchandise service categories.

How We Assess The Effectiveness Of Our Actions To Address Modern Slavery Risks

In FY25, APG & Co strengthened its modern slavery governance and measurement systems, ensuring that each action taken to reduce risk was supported by evidence, accountability, and continuous improvement. The company's focus has been on embedding traceability, data-led risk evaluation, supplier collaboration, and human rights capacity building across its supply chain and operations.

Governance and Oversight

The Sustainability Manager, reporting directly to the Chief Financial Officer, maintained oversight of all modern slavery initiatives. This included regular briefings to the Audit and Risk Committee, ensuring that supplier audit results, corrective action plans, and emerging risks received strategic attention. Integration of modern slavery into APG & Co's enterprise risk management framework allowed issues to be escalated swiftly and managed with executive oversight.

Key Performance Indicators and Impact Measurement

In FY25, APG & Co finalised a suite of KPIs aligned with its sustainability pillars. These metrics track supplier audit coverage, CAP closure rates, worker grievance accessibility, staff and supplier training participation, and progress on living wage alignment. KPIs also monitor traceability expansion through the Retraced platform and supplier engagement effectiveness. This system enables measurable tracking of risk reduction across both product and service supply chains.

Traceability and Risk Transparency

FY25 marked a major advancement in APG & Co's traceability program through the expansion of the Retraced platform. All Tier 1 suppliers were onboarded and began mapping upstream partners, achieving visibility up to Tier 6 (trims – buttons, zippers, etc.) in some cases. This transition from product-level to network-based mapping improved transparency across complex supply chains and allowed for more precise identification of risk concentrations, such as materials sourced from higher-risk jurisdictions or facilities with limited worker protections.

Supplier Audits and Corrective Action Management

During FY25, APG & Co audited 92 factories (Tier 1 and Tier 2). Results showed 78% Green-rated (strong compliance), 8% Yellow-rated (minor non-compliance), and 14% Orange-rated (moderate non-compliance) factories, with zero Red-rated facilities. CAPs were implemented for all non-compliant sites, primarily addressing procedural issues such as wage documentation, overtime control, and workplace safety. Verification of CAP closure is ongoing into FY26. Where factories failed to demonstrate commitment to improvement, APG & Co chose to discontinue production.

Living Wage and Fair Remuneration Evaluation

As part of its commitment to fair labour standards, APG & Co commissioned a third-party consultant to conduct a Living Wage Gap Analysis across 25 production facilities. The study benchmarked wages against GLWC and AFWA frameworks, identifying that 44% of factories were near or above the GLWC range and 56% required further progress. Based on these findings, APG & Co launched a three-pronged program focused on supplier education, collaboration on wage improvement planning, and annual recognition for high-performing suppliers.

Worker Voice and Grievance Platform

FY25 marked the first full operational year of APG & Co's anonymous grievance and worker voice platform, Whispli, which forms a core part of how we assess the effectiveness of our modern slavery initiatives. The system was rolled out across major supplier sites in China and Vietnam, supported by multilingual awareness campaigns and targeted training to encourage participation and trust.

During the year, our Compliance and Sustainability teams worked closely with suppliers to verify visibility of platform materials through audit checks, training sessions, and site visits, ensuring that QR codes and information posters remained accessible in key factory areas. While no formal grievances were received during the reporting period, regular engagement with workers confirmed growing awareness and confidence in the platform’s accessibility and anonymity.

To evaluate impact, APG & Co monitors awareness levels, accessibility, and feedback from both workers and suppliers during social compliance audits. These measures help identify whether training and communication strategies are effective and guide further improvement. The absence of misuse or fear-based resistance has also been viewed as a positive indicator of trust-building at this stage of implementation.

In FY25, we expanded the Whispli platform to include a dedicated supplier grievance channel, allowing suppliers to raise ethical or compliance concerns securely. Metrics such as usage trends, response times, and resolution outcomes will be reviewed quarterly to track engagement and identify potential areas for early intervention.

Through these initiatives, APG & Co continues to strengthen the accountability and responsiveness of its grievance mechanisms—ensuring that worker and supplier voice tools are not only available but actively contributing to the ongoing assessment and improvement of our modern slavery risk management program.

Training and Capacity Building

Modern slavery training was made mandatory for all staff and suppliers in FY25, delivered in English, Mandarin, and Vietnamese. Training sessions covered identifying risk indicators, understanding traceability, and ethical sourcing responsibilities. The Annual Supplier Conference, attended by all Tier 1 suppliers, reinforced expectations on compliance, wage fairness, and human rights. Post-training evaluations showed strong engagement and improved supplier understanding of APG & Co’s requirements.

GNFR Services Oversight

APG & Co extended its modern slavery oversight to GNFR service sectors - freight, logistics, security, cleaning, recruitment, IT, and facilities management. Procurement and compliance teams were trained to detect modern slavery red flags, such as unfair recruitment practices, below-minimum wages, and subcontracting opacity. New contracts introduced strengthened labour clauses, and suppliers were screened for compliance with APG & Co’s ethical sourcing standards.

Supplier Engagement and Site Visits

Supplier visits conducted during FY25 reinforced the importance of traceability, documentation accuracy, and responsible sourcing practices. Visits in China and Vietnam identified ongoing documentation and administrative pressures, but also demonstrated growing supplier maturity, collaboration, and transparency.

Benchmarking and External Alignment

APG & Co continued to benchmark its practices against global frameworks including the UN Guiding Principles on Business and Human Rights, the Sustainable Development Goals, and B Corp impact metrics. This alignment ensures continuous improvement and external validation of the company’s progress in addressing modern slavery risks.

Transparency and Continuous Improvement

All progress was captured and reported through the Retraced platform and the company’s annual Modern Slavery Statement. Data-driven reporting has enhanced APG & Co’s ability to measure program effectiveness, communicate impact, and refine strategy. The integration of modern slavery risk metrics into business operations represents a maturing due diligence model that continues to evolve each year.

Our Goals for FY2026

Strengthening Supplier Partnerships through the Annual Supplier Conference

In FY26, APG & Co will continue to build on the success of its reinstated Annual Supplier Conference, held in October 2024. This forum has become an essential part of our engagement program, fostering transparency, shared learning, and collaboration across our supplier network. The upcoming conference will focus on updates from all key business areas, supply chain and sustainability; and will also cover outcomes of the living wage gap analysis, transition to SEDEX and SMETA 4-pillar audit, Retraced progress, and improving worker grievance management. Through such open forums, suppliers will have the opportunity to share challenges, provide feedback, and align on the next phase of our responsible sourcing and modern slavery commitments. The following awards will be presented to suppliers: Living Wage Champion and Sustainability Champion to encourage continued focus and progress in these areas.

Implementation and Refinement of Modern Slavery and Related Policies

During FY26, APG & Co will continue strengthening the governance framework that underpins its ethical sourcing program. Building on the comprehensive policy review completed in FY25, we will update the Supplier Code of Conduct, Global Sourcing Principles, and Responsible Materials Sourcing Policy to reflect evolving best practice and lessons from supplier audits. These updates will further embed human rights due diligence into all sourcing decisions and provide clear, practical guidance for suppliers.

Strengthening Supplier Approval and Monitoring Processes

We will continue to refine our supplier approval and monitoring framework, ensuring consistent application of our onboarding standards across all regions. The Supplier Onboarding Manual will be updated to integrate new due diligence tools and risk-based assessment criteria. FY26 will also see the expansion of SEDEX and SMETA 4-Pillar audits to cover all new production partners and high-risk facilities, ensuring that no factory operates without independent assessment and verified compliance.

Living Wage Implementation Phase 2

Following the completion of our comprehensive Living Wage Gap Analysis in FY25, APG & Co will begin Phase 2 of its living wage program. This will focus on supplier training, collaborative improvement planning, and measurable progress tracking against international benchmarks. Our goal is to help close identified wage gaps while recognising high-performing suppliers through our annual conference and ongoing engagement.

Expansion of Grievance Mechanisms and Worker Voice Platforms

In FY26, APG & Co we will continue to create awareness and trust amongst garment workers and suppliers on the reporting tool through distribution of collateral that promote safe, transparent communication for all garment workers and suppliers.

Advancing Traceability and Transparency

Our partnership with Retraced will continue to evolve in FY26, extending digital traceability beyond Tier 1 and Tier 2 suppliers to include deeper tiers and raw material origins. This will improve visibility of high-risk materials such as cotton, wool, and synthetics. The system will be used to track supplier improvements, monitor chain of custody documentation, and assess subcontractor activity.

Responsible Materials Transition

We will establish brand-specific transition targets for certified and responsibly sourced materials and continue expanding the Responsible Materials Transition Program initiated in FY25. This program aims to ensure that all key brands within APG & Co demonstrate measurable progress in sustainable material sourcing by the end of FY26.

Ongoing Supplier Training and Capacity Building

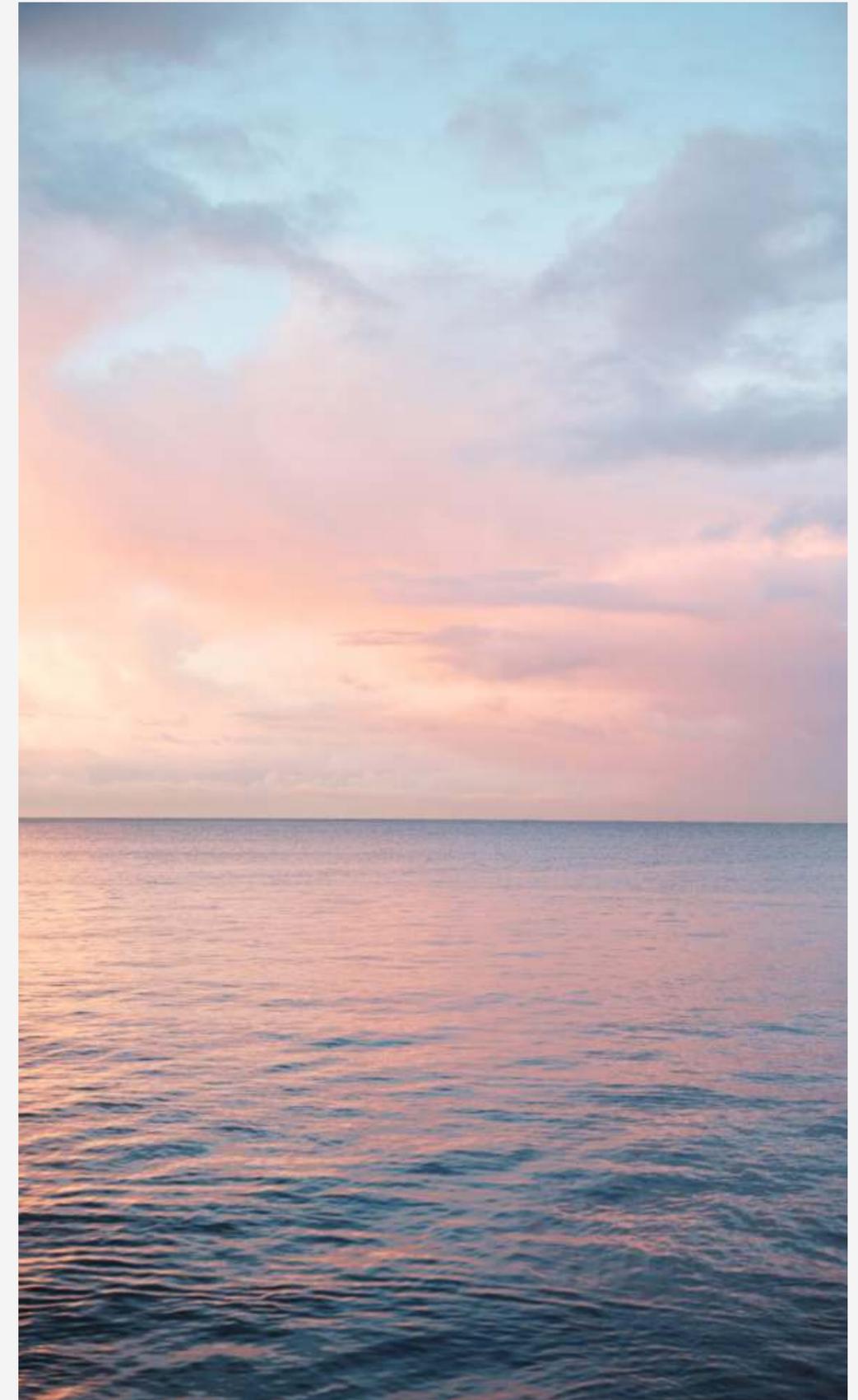
Training will remain a cornerstone of our approach. FY26 will see further rollout of multilingual modern slavery and ethical sourcing modules for supplier management and workers. These sessions will cover grievance handling, responsible recruitment, and living wage advancement. Internally, procurement teams will receive updated training on identifying service-related risks across high-risk GNFR categories.

Enhanced GNFR (Goods Not for Resale) Procurement Oversight

APG & Co will continue its work on mitigating modern slavery risks within GNFR procurement, with a focus on high-risk sectors such as cleaning, security, and logistics. This project, to be completed in FY26, will finalise supplier mapping and embed strengthened contractual and due diligence controls across these services.

Continued Governance and Reporting Transparency

Our Sustainability Manager, reporting directly to the Chief Financial Officer, will continue to oversee all modern slavery and responsible sourcing programs. Quarterly updates to the Audit and Risk Committee will remain in place, reinforcing executive accountability and ensuring modern slavery oversight is fully embedded within corporate risk governance. APG & Co will continue to publish annual updates on progress and report transparently on performance metrics and outcomes.



Compliance with Reporting Requirements

This statement has been prepared in accordance with the *Modern Slavery Act 2018 (Cth)*. APG & Co confirms that it has addressed each of the mandatory reporting criteria as set out in Section 16 of the Act, as follows:

Identify the reporting entity

APG & Co clearly identifies the reporting entity and all entities covered by this statement, including subsidiaries and controlled entities. This information is provided on **page 3** of this statement.

Describe the Process of Consultation

The process of consultation with APG & Co's owned and controlled entities, and engagement with internal stakeholders across sustainability, procurement, and finance teams, is described on **page 3** of this statement.

Describe the Structure, Operations, and Supply Chains

A detailed description of APG & Co's organisational structure, operational footprint, and supply chain network—including its product and service suppliers—is provided on **pages 8-12**.

Describe the Modern Slavery Risks

The key risks of modern slavery practices within APG & Co's operations and supply chains, including high-risk geographies, materials, and service categories, are outlined on **pages 13-15**.

Actions to Assess and Address Modern Slavery Risks

The actions taken by APG & Co to assess, prevent, and mitigate modern slavery risks across its operations and supply chains during **FY25** are detailed on **pages 16-33**. These include audit results, supplier remediation programs, traceability initiatives, and workforce training.

Assessing the Effectiveness of Actions

The methods used to measure and evaluate the effectiveness of APG & Co's actions to address modern slavery risks—including the use of key performance indicators, traceability data, and audit outcomes—are described on **pages 34-35**.

Other Relevant Information

Further information, including APG & Co's FY25 achievements, future commitments, and goals for **FY26**, is included on **pages 6, 36-37** of this statement.

