

PRINCESS POLLY

**MODERN SLAVERY AND TRANSPARENCY
IN SUPPLY CHAINS STATEMENT**



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1.0 INTRODUCTION

It's our mission to lead the fashion industry with sustainable, yet accessible fashion that is always on trend.

2021 was the year that solidified our social responsibility mission. Our four impact areas: Ethical Sourcing, Sustainable Products, Protect the Planet and Equality & Community, allowed us to drive real change. We are proud to submit Princess Polly's second Modern Slavery statement issued under the California Transparency in Supply Chains Act 2010 and the Australia Modern Slavery Act 2018 (Cth).

Our Modern Slavery statement explores the measures we take to identify, mitigate and remedy the risks of modern slavery in our operations and supply chain. We have focused on our efforts in the 2021 calendar year (our mandatory reporting criteria in Australia), and some activities from 2022 where relevant to California. Transparency is key to our accountability and at the heart of everything we do. We are committed to identifying and addressing Modern Slavery risks within our business.

Our close relationships with suppliers help us assess and improve our practices and protect those that work with us. We have aligned ourselves with suppliers and partnerships with respected organisations that embody our values and embrace our commitment to respect human rights in the countries and communities in which we operate.

Princess Polly is committed to operating ethically and respecting and promoting human rights. Rejection of forced labour, child labour and modern slavery in all its forms are singled out in our Human Rights Policy and Code of Conduct, applying to our team, supply chain and customers. We are participants of the United Nations Global Compact and have aligned ourselves and our Social Responsibility mission with the Ten Principles of the United Nations Global Compact and the United Nations Sustainable Development Goals (SDGs).

We are committed to collaborating and listening to our partners, suppliers, customers and others to evolve our approach to the best model possible. We are also committed to challenging and developing our effectiveness to create purposeful change and improve our actions to set an example for our peers.

The following are reporting entities for the purposes of this Statement under the Modern Slavery Act 2018 (Cth) and the California Transparency in Supply Chains Act 2010:

Princess Polly Online Pty Ltd - ABN 43 169 210 520

Princess Polly USA, Inc. - EIN 83-2450052

Princess Polly's corporate structure also includes four non-operational entities owned or controlled by the ultimate holding company, a.k.a Brands Holding Corp - EIN 87-0970919

This statement was approved by the Board of Princess Polly Online Pty Ltd on 27 July 2022.



Wez Bryett
Board Director and Co-CEO Princess Polly Online Pty Ltd



1.1 OUR APPROACH

To understand and respond to any risks of Modern Slavery in our supply chain, Princess Polly has developed an internal Modern Slavery process:

1 **IDENTIFYING AND ASSESSING**

Understanding the risk of modern slavery

2 **ADDRESSING**

Undertaking due diligence to mitigate risks

3 **AWARENESS**

Engaging everyone on the journey

4 **ACCOUNTABILITY**

Determining the effectiveness of our actions

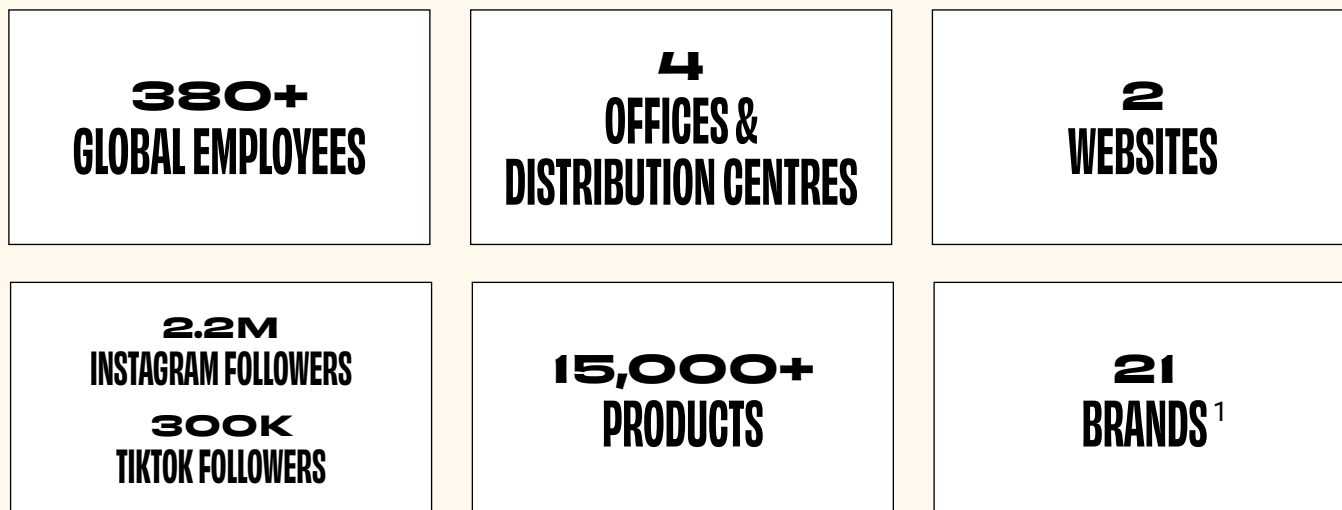
KEY ACHIEVEMENTS IN 2021:

- Auditing 100% of our Tier 1 factories by June 2021
- Tracing 76% of our Tier 2 Supply Chain and 30% of fabrics, plastics and metals back to their production facility
- Developing our Responsible Purchasing Policy and Gender Equality Policy, with roadmaps to achieve each
- Enhancing our internal capabilities through training our Merchandise Team on Ethical Sourcing and Modern Slavery
- Expanding our reach to a five-person dedicated Ethical Sourcing team

2.0 OUR BUSINESS AND OPERATIONS

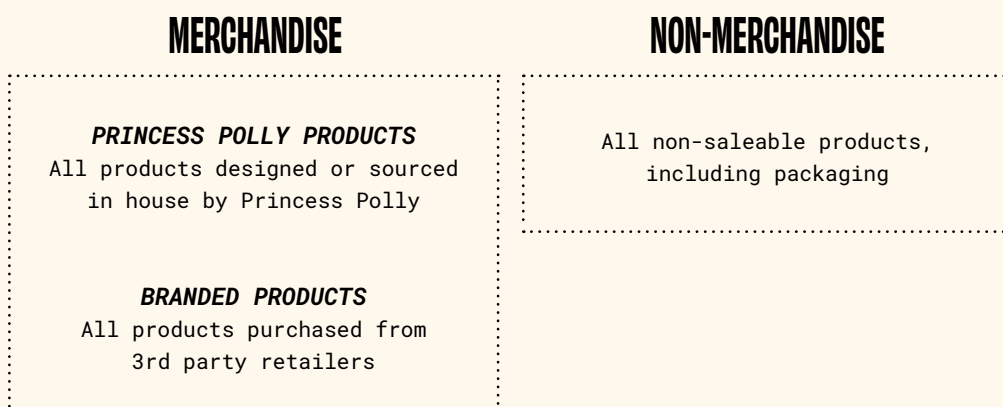
Princess Polly (Princess Polly Online Pty Ltd and Princess Polly inc USA) is a fashion retailer on a mission to lead the fashion industry with sustainable, yet accessible fashion that is always on trend. Born on the Gold Coast, Australia in 2010, the Princess Polly team has grown to over 300 people in Australia and 80 people in the USA. In 2021, our team worked across four sites; an office and distribution centre on the Gold Coast, Australia, plus an office and distribution centre in Los Angeles, USA. Princess Polly is owned by a.k.a. Brands based in San Francisco, USA.

Responsibility for human rights, including modern slavery, ultimately sits with the CEOs and the Chief Merchandise Officer. Within the Merchandise team, Social Responsibility is a five-person dedicated team, reporting to the Supply Chain Director. The Social Responsibility strategy has total commitment from Princess Polly's co-CEOs and the a.k.a. Board.



2.1 SUPPLY CHAIN

There are three facets to Princess Polly's global supply chain:



2.1.1 MERCHANDISE

PRINCESS POLLY PRODUCTS

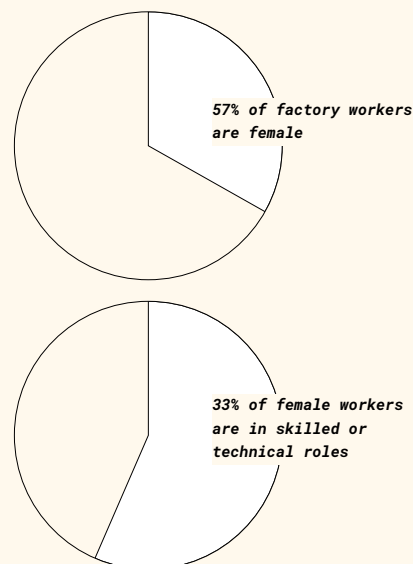
Customers worldwide can purchase Princess Polly products, namely apparel, footwear and accessories, from our websites. Our products are primarily designed on the Gold Coast or in Sydney and entirely manufactured by our partner factories in China and India. Whilst we do not own or operate any of our factories, we pride ourselves on creating long-lasting, strong relationships with our suppliers.

¹ In 2021, Princess Polly placed orders with the following 3rd party brands:

Abrand, Berness, Billini, Booby Tape, Dr Martens, Jagger & Stone, Levi's, Lioness, Lipstik, Motel, NAR, Nakedvice, New Balance, Peta and Jain, Ragged Priest, ROC Boots, Slick Stick, Therapy, Universal Music, Windsor Smith, ZYA the Label

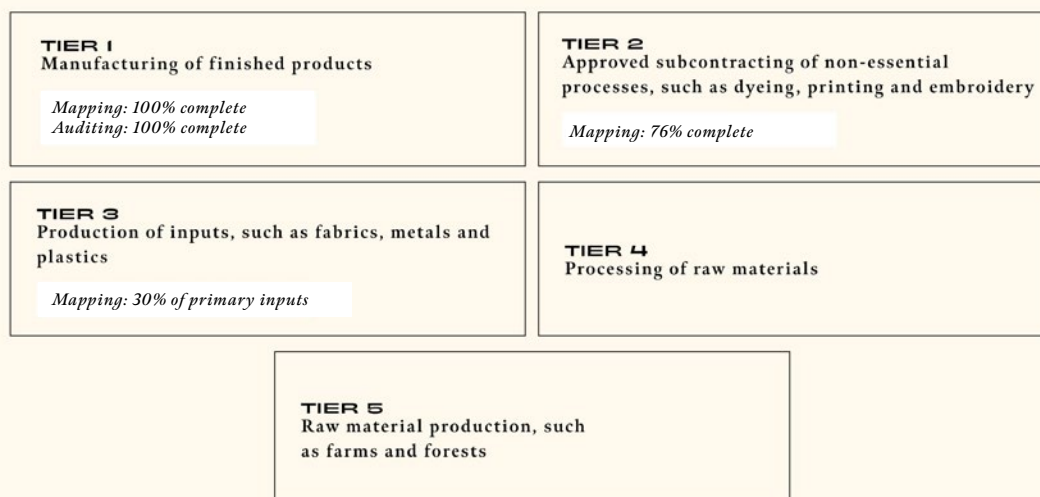


Princess Polly works with 72 factories and over 4500 workers in India and China.



At the end of 2021, we sourced from 74 Tier 1 factories, based in China and India. We also traced 76% of our Tier 2 production to 33 factories exclusively located in China. We do not outsource to other manufacturers where we can't be sure our ethical standards are upheld. We also have a strict 'no order subcontracting' policy for our suppliers, meaning they can't send our orders to different factories that we don't have visibility of.

To create a finished product, we consider there to be five supply chain tiers:



BRANDED PRODUCTS

In 2021, we worked with 21 3rd party brand suppliers. Our direct relationship lies with the 3rd party brands themselves rather than their factories or suppliers.

2.1.2 NON-MERCHANDISE

In addition to the manufacture of our merchandise, our supply chain includes goods purchased as part of Princess Polly's operations, including IT equipment, furnishings and packaging. Therefore, Princess Polly encompassed non-merchandise suppliers in our modern slavery risk assessment. While we consider our greatest risks to exist in our merchandise supply chain, we also extended our site specific risk assessments to offshore branded packaging manufacture.

3.0 ASSESSING

To understand the risks of human rights abuses in our supply chain and prioritise our due diligence approaches, Princess Polly conducted a multi-faceted risk assessment in partnership with external consultants and third-party organisations. Our risk assessment draws on desktop research from globally recognised indices and resources², supply chain mapping, supplier and worker surveys and audit reporting. We use this assessment to evaluate our existing supply chain, and incorporate it into our sourcing process for new suppliers. We are committed to reviewing our risk assessment approaches, remaining well informed on updated research and continuously evaluating our supply chain.

Through a bespoke methodology, we assessed the inherent risk of modern slavery in our supply chain operations, looking at the following indicators:

- Country risks ●
- Value chain stage risks ■
- Business relationship and our level of direct control ▲

A numerical score was applied to each of these indicators in order to provide an overall inherent risk score. A more comprehensive site specific risk assessment was also undertaken for Tier 1 suppliers of Princess Polly Branded merchandise and packaging.

INHERENT RISK

SITE SPECIFIC RISK

COUNTRY RISK	VALUE CHAIN RISK	BUSINESS RELATIONSHIP SCORE	LABOUR STANDARDS RISK	HEALTH AND SAFETY RISK	AUDIT FINDINGS	MANAGEMENT CONTROL SCORE
Modern Slavery Index	Harsh treatment		Gender			
Worker Rights	Working Hours		Discrimination			
Governance	Freedom of Association		Working Hours			
Rule of Law	Wages		Wages			
	Forced Labour		Regular Employment			
	Child Labour		Children and Young Workers			
	H&S		Freedom of Association			
			Forced Labour			

² - Including the United States Department of Labour International Labour Organisation (ILO), Business for Social Responsibility (BSR), Human Rights Watch (HRW)

COUNTRY	RISK	MAIN RISK AREAS	BUSINESS RELATIONSHIP	LEVEL OF DIRECT CONTROL
China	High	Freedom of Association, Child labour, Forced labour, Pay and hours	Supplier	High
India	High	Child labour, Forced labour, Discrimination, Occupational health & safety and working hours	Intermediary	High
US	Medium	Forced labour, Discrimination, Living wages, Sexual harassment	Service Provider	Medium
Australia	Low	Forced labour, Discrimination, Underpayment	Brand	Low

VALUE CHAIN STAGE	INHERENT RISK SCORE	RISK ASSESSMENT DETAILS, INCLUDING VALUE CHAIN RISK
PRINCESS POLLY PRODUCT ~ BRANDED PRODUCT ~ NON MERCH PRODUCTS	Raw materials production and processing	 <p>Processes of remote visibility, such as these, will remain a priority focus area for improvement in subsequent reporting periods.</p> <p>We undertook a qualitative assessment of our key inputs created through raw materials production and processing, outlined in Input Risks in section 3.1.</p>
	Manufacturing	<p>The risks associated with the manufacturing stage of our supply chain are further explored in sections 3.1, 3.2 & 3.3 due to the complexities of our different goods and their own supply chains.</p> <p>Princess Polly Branded Merchandise </p> <p>Branded Merchandise </p> <p>Non-Merch Products </p>
	Logistics and Transport	 <p>This includes global custom clearance and freight forwarding services. In 2021, we had visibility of these services in China, Hong Kong, India, Australia, Indonesia, Vietnam and the United States. We acknowledge the potential use of other countries or service partners, and as a result, a high risk rating has been applied for the country indicator.</p> <p>Risks include human trafficking, forced labour, high working hours, weak collective bargaining and low wages.</p>

VALUE CHAIN STAGE	INHERENT RISK SCORE	RISK ASSESSMENT DETAILS, INCLUDING VALUE CHAIN RISK
PRINCESS POLLY SITES	Contracted fulfillment	<p>○ □ △</p> <p>Princess Polly uses contracted workers at our US Distribution Centre.</p> <p>Risks of typical contract work situations include temporary work, H&S, failure to earn minimum wage and overtime, no social protection contributions, high working hours, high business fees, and poor unionization.</p>
	Service providers	<p>○ □ △</p> <p>Professional service providers include models, IT and cleaners at our Australia and US sites.</p> <p>Risks include high working hours and no or ineffective unions. For low, "unskilled" paid work, such as cleaning, the risk is slightly higher, while the risk drops for work which is skilled or specialized.</p>
	Employees	<p>○ □ △</p> <p>Our staff consist of those directly employed in our offices and distribution centres in Australia and the USA.</p> <p>The modern slavery risks are low as these are skilled and specialised roles. Our staff play a critical role in our work against Modern Slavery, enhanced through awareness training, detailed in section 5.1.</p>



3.1 PRINCESS POLLY BRANDED MERCHANDISE ○ □ ▲

Princess Polly has determined that our greatest opportunity to mitigate risk lies within the manufacture of our own brand merchandise. As a result, we have completed a detailed industry, country, factory, input and worker risk assessment:

INDUSTRY AND SECTOR RISK

The 2018 Global Slavery Index identified Apparel and Clothing Accessories at high risk of being produced by Modern Slavery. Short production deadlines, rapid style changes and poor payment terms in the apparel industry can result in excessive overtime, low salaries, working without breaks, and unpaid overtime. Managers and supervisors working under pressure can pass this onto workers in the form of harsh treatment and abuse. Additional revisions or mistakes in orders and failure to monitor the factory's capacity may lead to unauthorized subcontracting or homeworking, where similar issues continue unreported, as well as child labour. As most workers in the apparel industry are women, sexual harassment and violence against women and gender discrimination are the most prevalent issues to be reported.

COUNTRY RISKS

Our own branded products are manufactured in China and India, countries with identified forced labour risks and highly vulnerable populations, with 2.8 victims for every thousand people in China³ and 6.1 for India⁴.

As the second-largest economy globally, China specialises in the production of labour-intensive, low-value goods for export, which can result in forced labour. Independent unions are outlawed in China, and the law does not protect the right to strike. As a result, there is no protection for workers who request or participate in collective negotiations with their employers.

Evidence of child labour and forced labour have been found in various Indian industries, including textile production. "Sumangali schemes" in the Tamil Nadu region were reported to use bonded labour, restriction of movement and sexual harassment towards young women and girls in spinning mills. Due to the large income disparity across regions there is an increased prevalence of migrant workers. These workers often lack official identity documents which poses a greater risk of informal labour. Furthermore, there are limited anti-discrimination laws for certain individuals in India, increasing the risk of discriminatory practices in the workplace.

SITE SPECIFIC RISKS

Princess Polly has completed supply chain mapping for all Tier 1 unbranded suppliers, achieved through Transparency Surveys and our partnership with the Supplier Ethical Data Exchange (Sedex). Sedex allows us to improve working conditions in our supply chain from monitoring our relationship with our factories to participating in Sedex webinars. On Sedex, all sites are required to complete a Self-Assessment Questionnaire (SAQ) which supports us as a business to learn where our most significant risk of modern slavery is in our supply chain and help us act swiftly to remediate any issues raised.

We acknowledge the modern slavery risks associated with less visible tiers of our supply chain. Princess Polly has clear targets in place to expand our due diligence to Tier 2 and beyond as part of our continuous improvement approach. In partnership with Sedex and Elevate, our Tier 1 sites were assessed against risks based on their site information, SAQ responses and audit findings. In addition to the inherent country and sector risks, we also assessed site-specific indicators through the Sedex platform:

Through our analysis of these sites on Sedex, the highest labour rights risks for our sites were found to be:

- Forced labour
- Working hours
- Discrimination
- Freedom of association
- Wages
- Regular employment

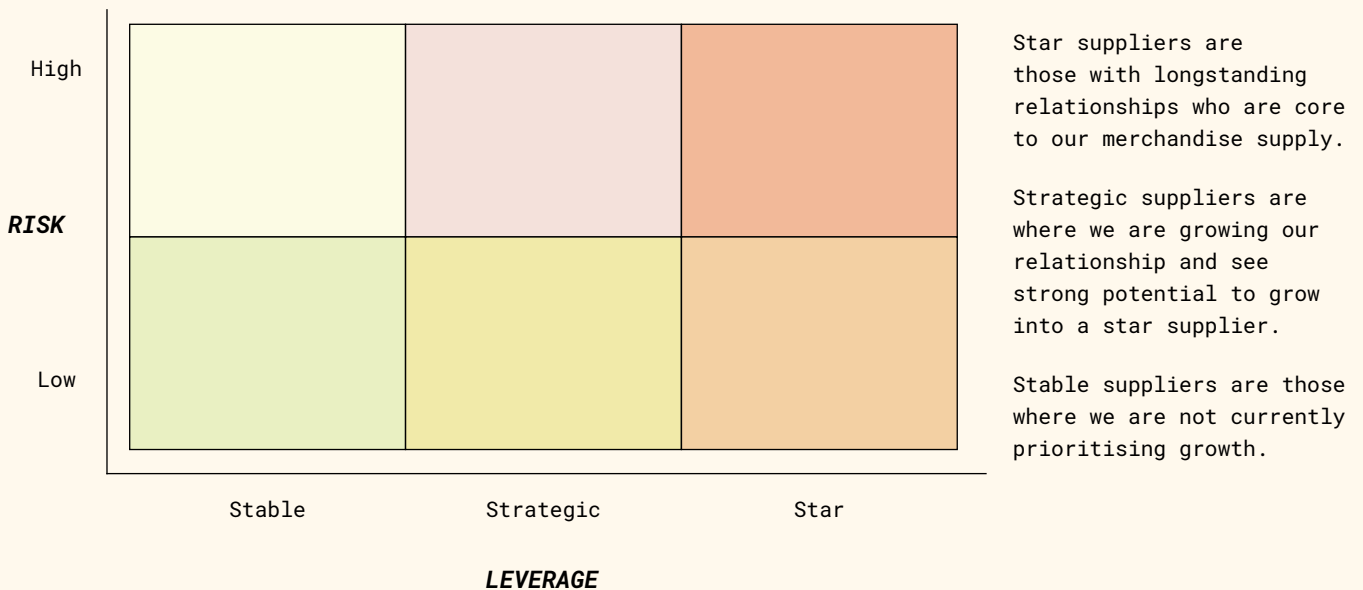
In addition, Child Labour risks are taken very seriously at Princess Polly. We did not identify any risk indicators or actual or suspected cases of child labour, but if we do find a risk indicator it is investigated thoroughly.

3 - <https://www.globalslaveryindex.org/2018/findings/country-studies/china/>

4 - <https://www.globalslaveryindex.org/2018/findings/country-studies/india/>

Although no audits found wages below the legal minimum, Princess Polly understands the risk posed by the wage gap. In response, we partnered with external consultants to complete a living wage assessment of all provinces of our Tier 1 sites to assess the shortfall. While we value the insights provided through third-party social auditing, we acknowledge these capture only a snapshot in time and may not find all actual risks or violations. As a result, we incorporate many factors into our remediation measures and have introduced control auditing processes (see section 4.3).

Princess Polly created a framework to categorise our sites according to risk and leverage. It uses a combination of select SAQ results and a leverage analysis based on spend, growth potential and length & significance of relationships. As a result, it assists us in identifying where to prioritise additional due diligence.



INPUT RISKS

While our Site Specific risk assessment currently considers our Tier 1 sites, we acknowledge that further along our supply chain, where we have less visibility, the risk of modern slavery increases. All inputs sourced for our manufacturing have their own complex supply chains. Princess Polly aims to keep informed about the risks of our main inputs; in 2021, our six primary materials were polyester, recycled polyester, cotton, viscose, metals and nylon.

According to the Global Slavery Index, cotton is the highest ranking product at risk of modern slavery, with the US Department listing 17 countries with potential forced or child labour, including China and India. In 2021 Princess Polly engaged in several due diligence activities focused on cotton supply chains. Conversely, the synthetic materials we use and viscose have very low risk of modern slavery. The process of manufacturing synthetic materials requires qualified technicians and is a highly capitalized industry.

We are also aware of the potential health and safety risks associated with processing and finishing apparel, for example health risks due to improper Personal Protective Equipment and long hours exposed to chemicals. In 2021, Princess Polly adopted and enforced a restricted substances list, which bans the use of dangerous substances in the production of and finished products.

When it comes to accessories, World Vision notes forced and child labour is prevalent in many stages of the jewellery supply chain, including mining, with an estimated 1 million children working in the mining industry globally. In 2021, the most commonly used metals in our accessories were zinc and iron, which according to Sedex’s commodity risk tool have no evidence of forced or child labour violations in China or India.

VULNERABLE WORKERS

The identified risks disproportionately impact some workers more than others. The following workers are the most vulnerable to these risks in our supply chain:

Women - Women are considered at high risk of human rights violations including discrimination, forced labour, trafficking, sexual abuse and exploitation. The Global Slavery Index revealed that 71% of modern slavery victims are female. We take responsibility to protect our worker's rights and to focus education programs on empowering women.

Migrant workers - The extreme wealth disparities across regions in both China and India drive a large migration of workers to different regions. In China, migrant workers account for 67% of the urban workforce, while India sees an annual migrant flow of nine million⁵. Migrant workers can be exposed to vulnerability and forced labour as they have limited access to legal protection, benefits and services compared to local workers.

Child workers - In China, many children are left behind in poverty-stricken rural areas due to their parents working as migrants in urban provinces. In India, children of migrant workers lack access to education in isolated work sites and often work alongside parents. Moreover, evidence of child labour in "Sumangali schemes" is a key risk. Princess Polly has zero-tolerance for child labour, and has a Child and Forced Labour Policy to investigate and mitigate any instance of child labour that may occur.

Contract and Agency Workers - Workers hired indirectly through recruitment agencies are at greater risk of deceptive recruitment and bribery. These workers are more vulnerable to forced overtime and underpayment of wages.

Ethnic & Religious Minorities - State-imposed forced labour allegedly continues to occur in RTL centres, with ethno religious minorities at high risk. The lack of anti-discrimination laws based on skin colour or national origin in India also place these minorities at greater risk.

3.2 BRANDED MERCHANDISE ○ ■ ▲

We acknowledge that similar risks exist within our brand partners' supply chains. We worked with 21 3rd party brands in 2021, and are continuing to consolidate this. As our direct and immediate control lies with our unbranded suppliers, this is where Princess Polly prioritised our risk assessment and due diligence.

3.3 NON-MERCHANDISE GOODS ○ ■ ▲

In 2021, Princess Polly conducted site specific risk assessments on our China based branded packaging suppliers' Tier 1 sites, following the same methodologies outlined in section 3.1

3.4 COVID-19

Princess Polly recognises that the COVID-19 pandemic directly and disproportionately increased the risk of modern slavery in the global fashion supply chain, and heightened the vulnerability of many garment workers. Beyond the health risks to factory workers, factory closures and workforce reductions lead to high overtime to recover from production delays. The inconsistency of orders also meant many suffered from underpayment of wages⁶. Moreover, mass unemployment, high debt and little government safety net creates opportunities for modern slavery⁷.

A key risk associated with the COVID-19 pandemic is a loss of transparency and visibility into the supply chain. Elevate EIQ data found that China's Transparency Scores from audits hit a five-year low with a 13% drop. Moreover, wage and working hour related audit findings increased from 2019.

Princess Polly continues to take steps to understand how these risks might present in our supply chain, adapting our way of working when needed to protect everyone in our supply chain.

6 - Mekong Club

7 - Anti Slavery International

4.0 ADDRESSING

Princess Polly recognises that we are responsible for responding to our specific risks by undertaking due diligence and remediation in line with the United Nations Guiding Principles. We prioritise our efforts by the most salient risks to human rights and where we have the greatest capacity to positively impact on the lives of our workers and communities where we and our partners operate.

4.1 ONBOARDING

In 2021 we enhanced our onboarding process to ensure all suppliers are supported to understand and meet our ethical sourcing requirements, enabling us to identify and monitor human rights risks early on. Our onboarding process includes three phases and we only work with suppliers that satisfy all requirements:

1. **Transparency phase** - We ask suppliers to share the following as our initial introduction:

- a. Transparency Survey of all primary & subcontracted sites
- b. Existing ethical Audit Reports. Where not provided, we support the supplier to organise their first audit
- c. A valid business license
- d. Sustainable Material Certifications

2. **Onboarding phase** - We get to know our new suppliers, and they get to know us, through:

- a. An onboarding call
- b. An invitation to our Vendor Portal. This includes access to all standards, policies and our Supplier Trading Terms to read and sign

No orders are placed until the supplier has understood all social responsibility documents, agreed to participate with our ethical sourcing requirements and returned our Trading Terms.

3. **Engagement phase** - Production may now start, while we work with suppliers over 60 days to:

- a. Join and utilise Sedex
- b. Complete a Self Assessment Questionnaire
- c. Receive an Audit Scorecard and grade for each factory



STANDARDS AND POLICIES

Our approach to social responsibility is underpinned by our standards and policies. In 2021, we updated our Code of Conduct and corresponding Corrective Actions, to better reflect our values and best practice. Our emphasis continues to be zero-tolerance towards child & forced labour, discrimination and modern slavery. Throughout the year we also developed new policies:

- a. Our Gender Equality in Supply Chains Policy
- b. Our Responsible Purchasing Policy

All policies and standards are provided to suppliers through our Vendor Portal, in Mandarin and English, and include guidelines on how to put our requirements into practice.

①	OUR HUMAN RIGHTS POLICY	Applies to the team, our supply chain, and our customers.
②	OUR CODE OF CONDUCT	These documents apply to our suppliers – including our factories and others in our supply chain – and outline our standards and expectations for the treatment of workers
③	OUR ETHICAL SOURCING GUIDELINES	
④	OUR CHILD AND FORCED LABOUR POLICY	
⑤	OUR ROUTING MANUAL	These documents outline our standards and expectations for how our products are made, including the treatment of animals and use of animal products.
⑥	OUR ANIMAL WELFARE POLICY	
⑦	OUR GENDER EQUALITY POLICY	This document guides our team to create better experiences for women in our supply chain.
⑧	OUR RESPONSIBLE PURCHASING POLICY	This document establishes a standard for how we interact with all our suppliers

ALL AUDITS MUST INCLUDE THE FOLLOWING:

- Labor Standards
- Health and Safety
- Management Systems
- Entitlement to Work
- Subcontracting & Homeworking
- Environmental Assessment

Our Ethical Sourcing Guidelines were rolled out in 2020 to assist suppliers by clearly outlining our expectations for our Ethical Sourcing program. This includes requirements on visibility, subcontracting, auditing and remediation, as well as joining Sedex. Our Guidelines also introduce our suppliers to our auditing partner, ELEVATE. ELEVATE not only audits our factories but offers professional tools and training to all our team, suppliers and factories for assessing and addressing modern slavery risks. ELEVATE is an industry leader in sustainability and supply chain risk identification and has extensive geographical reach to over 110 countries.

4.2 MONITORING

OUR AUDIT PROGRAM

An ethical audit is one way that Princess Polly can monitor how our factories implement our Code of Conduct. Princess Polly prefers to accept semi-announced audits (14 day window) conducted by ELEVATE to the SMETA methodology.

Princess Polly developed a reduced onboarding process for Specialty factories who complete limited, specialised production that no other factory can provide based on technical capabilities. These factories still require a valid social audit, however a wider scope of auditing firms and methodologies are accepted.

We have partnered with ELEVATE since August 2020 as they represent our commitment to transparency. Using a third-party service such as ELEVATE enhances the objectivity and effectiveness of due diligence procedures with our suppliers whilst maintaining and fostering our strong supplier relationships.

HELD A VALID AUDIT DURING REPORTING PERIOD IN AUSTRALIA			
TIER 1 FACTORIES	Announced	Semi-Announced	Total
		40%	60%

The subsequent procedures are as follows for after an audit has occurred:

GRADING	GRADING REQUIREMENTS	PRODUCTION APPROVAL
Gold	No or only minor outstanding non-compliances	Approved for production
Silver	Two or less outstanding major non-compliances	Approved for production
Bronze	Three or more outstanding major non-compliances	Approved for production
Red	One or more outstanding critical non-compliances	Long term supplier relationship: Production can continue for 6 months. New supplier: Not approved for production.
Red: Production on Hold	One or more outstanding highly critical non-compliances	Not approved for production.

The factory, the supplier and Princess Polly receive a copy of the audit report. We explore the root cause and potential risk for every finding in the report, applying one of four gradings based on the severity and immediacy of any threat to factory workers, the local community or the environment; minor, major, critical or highly critical. In 2021, we undertook a review of all Sedex Issue Titles against our Code of Conduct and realigned certain gradings to more accurately represent our internal values.

The table above explains how each non-compliance is viewed collectively to apply a grade to the factory from Gold, Silver, Bronze, or Red. Some examples of non-compliances from our audit reports during the reporting period in Australia included overtime of up to 72 hours, a lack of social insurance and a lack of needle guards on sewing machines.

COVID-19 AUDITING PROCEDURE

When an audit is due for a site that cannot be reached because of COVID, Princess Polly implements the following response plan.

- If the site is operational but an auditor cannot enter, we perform an Elevate Virtual Audit
- If the site is in lockdown or under restrictions, we allow a postponement of the audit deadline. This lockdown is confirmed with Elevate and we ensure we will not reschedule until the area is open.
- ILO Training Links are sent to the supplier and factory manager, which cover a Safe Return to Work series.
- We remain in communication with the Supplier and Buying Team to ensure the order delivery schedule is delayed and respected.

In 2021, we secured valid audits for 100% of Tier 1 suppliers through ongoing support and communication with our suppliers.

WORKER VOICE

In collaboration with ELEVATE, Princess Polly distributed anonymous worker sentiment surveys in our factories in China. These include 20 questions that are designed to provide detailed analysis and visibility of the conditions at a factory. In the second half of 2021, Princess Polly included a worker sentiment survey with every audit booked with ELEVATE. This ensures that Princess Polly can proactively identify issues impacting workers beyond the scope of an ethical audit. In 2021, 30% of Tier 1 factories in China had received a worker sentiment survey capturing the voices of 925 workers.

Through our worker sentiment surveys, our factories are graded from strong performance, satisfactory performance, needs improvement and needs significant improvement. The categorisation aims to help Princess Polly identify high-priority improvement areas and key topics for additional support.

FACILITY GRADING			
STRONG PERFORMANCE	SATISFACTORY PERFORMANCE	NEEDS IMPROVEMENT	NEEDS SIGNIFICANT IMPROVEMENT
64%	36%	0%	0%

TRACEABILITY

Mapping our supply chain is the first step to knowing who made our clothes, and assists us in ensuring every person who contributes to creating Princess Polly products is respected, protected and healthy. In 2021, Princess Polly extended our supply chain tracing project beyond Tier 1, to Tier 2 and 3 to better understand our exposure to modern slavery risks further along the supply chain. Our focus is on identifying Tier 2 and 3 facilities, as well as verifying the capabilities of each site to ensure no order subcontracting is occurring. While the importance is on our suppliers to truthfully share all production processes with us, we continually assess the factories of all suppliers on an order-by-order basis. Our tracing project is comprised of four main steps:

1. **Capability review** - Each factory is approved for production based on the technical capabilities possible at the site.
2. **Product construction review** - Each of our products is reviewed for its construction in order to understand what processes are required to produce that item.
3. **Purchase Order information request** - Suppliers must confirm which of their onboarded factories is producing each Purchase Order, including any Tier 2 sites.
4. **Information comparison** - The Purchase Order information and product construction is compared to the factory's capabilities. If any discrepancies are found in the expected data and actual data, we ask suppliers detailed questions to gain further clarification and remediate where required.

Tracing where each PO is being produced allows us to maintain up to date records and visibility over our supply chain, helping to alert us of any risk of subcontracting while managing modern slavery risks. Princess Polly recognises it is our responsibility to continue identifying all sites within all tiers of the supply chain, and will continue to extend supply chain tracing into the future.

CERTIFICATION OF MATERIALS

In addition, Princess Polly actively traces the sites that produce our main sustainable inputs, and ensures each material is correctly certified or tested.

We only accept and source sustainable materials from certified factories that can provide valid transaction certificates.

4.3 ENGAGING

REMEDIATION

After each audit that took place in 2020 or has taken place subsequently, Princess Polly prepares an Audit Scorecard, to support the factory to clearly understand:

- The severity of each non-compliance
- Recommended steps to address both the immediate threat and root cause of non-compliances
- The timeframe over which remediation is expected, based on reasonable periods to address every individual issue, and
- Instructions on how to formally close each issue with an auditor by desktop review, follow-up audit, or new audit

Factories that have completed SMETA audits with Elevate are invited to participate in building a Corrective Action Plan, and provide the right evidence within our timeframes. Our Princess Polly Social Responsibility team and Elevate provide guidance through regular emails, WeChat, calls and virtual meetings. In February 2022, Princess Polly engaged a full-time Social Responsibility representative in China to support this process.

Princess Polly has a zero-tolerance policy for any highly critical non-compliance (relating to the most serious issues including child labour, forced labour, precarious employment, threats, discrimination). In these instances, all new production is paused and the factory is provided weekly support, including digital training and support from Elevate, to aim to close all such issues with immediacy. To date, Princess Polly has never found a case of forced or child labour within our factories, but if this did occur, our Child and Forced Labour policy outlines our specific remediation process, with a focus on supporting the victim/s.

CONTROL AUDITS

Another way we engage in remediation is through control auditing. Princess Polly has developed a framework to assess the reliability and materiality of any historical audit that was not initiated by us through Elevate. Factors include:

- The auditing methodology and advanced factory notice
- The auditing firm and use of an Association of Professional Social Compliance Auditors (APSCA) certified auditor
- The depth and regularity of non-compliance findings
- The completions of desktop review
- A Sedex membership and a supplier self assessment questionnaire
- The number of vulnerable workers and the type of grievance mechanism
- The wage payment method, standard worker wages and recorded overtime

For any audit failing to meet our threshold, Princess Polly worked with these suppliers to arrange and fund a new audit with Elevate.



GRIEVANCE PROCEDURES

Princess Polly recognises the importance of providing a voice to all our workers. All the factories we work with have a grievance procedure; in order of commonality, suggestion boxes, hotlines, worker representatives and anonymous email channels are all used. In 2021, 94% of our workers surveyed were willing to speak up for a suggestion or a complaint, and 91% thought it would be treated seriously. Our collective results also demonstrated that our workers use suggestion boxes as their preferred trusted channel to raise a grievance. Where we find underperforming mechanisms, Princess Polly will work with the factory to establish safe and anonymous feedback channels and play a role in hearing and responding to worker submissions.

In 2021, Princess Polly met with third parties to roll out a robust and effective grievance channel, which was launched to ten sites in 2022. By 2025, we are committed to ensuring all workers' voices are heard through access to an effective worker committee and grievance mechanism.

RESPECT AND EMPOWERMENT PROGRAM PILOT

Respect and empowerment are critical elements of our Human Rights Policy. In 2021 we piloted an in-factory train-the-trainer program in three factories, to build knowledge to effectively and collaboratively encourage a respectful workplace with an emphasis on anti-discrimination, women empowerment, refining policies and managing effective grievance channels. This pilot program will conclude in 2022, at which point we will collect feedback from all workers that participated.



5.0 AWARENESS

Raising awareness within our teams and supply chains, and engaging our customers on our journey, are all key to our Modern Slavery response.

5.1 TRAINING

THE PRINCESS POLLY TEAM

We regularly involve and educate our global Merchandise Team - including buying, designing, production, logistics and planning - on supply chain issues and challenges. Our Merchandise Team plays a crucial role in spotting potential human rights abuses in our supply chain which is why we empower and equip our team to proactively and consistently apply Responsible Purchasing practices.

In 2021 we hosted internally-led training sessions and launched a digital training program to all team members, including training modules and scored assessments, including:

- An internally led Human Rights Policy and Code of Conduct Training
- An internally led Ethical Sourcing Workshop, including a digital module on creating a Corrective Action Plan after an audit and remediating common issues
- Digital training modules on Identifying and Preventing Forced Labour
- A digital training module on Responsible Purchasing

From this, a core Ethical Sourcing training program was developed in 2021, hosted annually for all Merchandise Team members. In addition, an introduction to our Social Responsibility strategy was added to the onboarding of all team members. Princess Polly's Social Responsibility team regularly attends webinars/seminars and engages in training modules.

OUR SUPPLY CHAIN

Providing training to our suppliers and factories is also very important. In 2021, we developed a comprehensive supplier and factory manager training program, including core learning modules on Forced Labor Prevention for Factories and Corrective Action Plans. In 2022 and beyond, suppliers and factory managers will be allocated training modules relevant to findings from their social audits to increase capacity and mitigate risk.

Additional training resources and suggestions are also featured in our bi-annual factory newsletter in English and Mandarin, which is sent to each factory manager.

5.2 PUBLIC DISCLOSURE

We believe the whole fashion industry needs to do better, so in 2020 Princess Polly created our social responsibility strategy, to play a big part in the movement for lasting change in our industry to put people, the planet and community first.

In early 2021, our sustainability webhub was published, announcing our long term commitments, timebound targets and details of our work to date. We are devoted to making continual progress towards these commitments and ensuring transparency. Our modern slavery statement is another way we invite our customers to engage with us on our ethical sourcing journey and stay accountable.

6.0 ACCOUNTABILITY

Princess Polly is proud of the actions we have taken to date to understand and respond to the risks of modern slavery in our supply chain. We employ several strategies to ensure that our measures are effective and are focused on reviewing and expanding our modern slavery work.

MONITORING KEY PERFORMANCE INDICATORS

We have developed KPIs during 2021 to thoroughly and regularly measure our performance across all areas of our modern slavery approach while sharing these results across the business.

PROCESS AND AREA	ACTIVITY	MEASUREMENT
Assessing: Risk assessment	<ul style="list-style-type: none"> Annual Supplier Assessment Questionnaires Updated valid and verified audits Prospective risk assessment of new countries and materials Risk assessment and segmentation of onboarded factories Annual qualitative risk review 	<ul style="list-style-type: none"> % of supply chain tiers mapped and assessed for risk % of Supplier Assessment Questionnaires completed and date of completion % of procurement from high, medium and low risk suppliers and regions Number of risk factors analysed, including country, supply chain tier, people and inputs
Addressing: Onboarding	<ul style="list-style-type: none"> Policy development and review Sedex memberships 	<ul style="list-style-type: none"> % of suppliers signing Code of Conduct Number of visible factories at each Tier % of suppliers and factories with Sedex memberships
Addressing: Monitoring	<ul style="list-style-type: none"> Third-party audits Quality assessment of audits Worker Surveys 	<ul style="list-style-type: none"> % of factories with a valid audit and audit gradings Number of low quality audits repeated and outcome
Addressing: Engaging	<ul style="list-style-type: none"> Corrective Action Plans Supplier and factory visits Grievance mechanism effectiveness surveys Consistent communication and review of factory data 	<ul style="list-style-type: none"> % of audit non-compliances remediated within the allocated time frame Number of supplier and factory visits Effectiveness of Grievance mechanism Number of factories with democratically elected worker representatives
Awareness: Training	<ul style="list-style-type: none"> Team member training Supplier training Factory Manager training (Tier 1, 2 and 3) 	<ul style="list-style-type: none"> Number of team members, suppliers and factory managers engaged in training % of courses completed by enrolled factory managers and suppliers
Awareness: Governance and Communication	<ul style="list-style-type: none"> Weekly Ethical Sourcing report and monthly Ethical Sourcing merch team review Quarterly Executive summary and annual board update Annual Sustainability Recap Report 	<ul style="list-style-type: none"> Number of team members with KPIs related to Ethical Sourcing Number of sustainability targets related to Ethical Sourcing published and met

SUPPLIER ENGAGEMENT

Princess Polly prides itself on creating a holistic and personable approach to engaging with our suppliers. Our genuine friendships and deep, long-term relationships help us understand the issues our suppliers face, build trust, improve our transparency, and cultivate a collaborative approach to ethical sourcing.

We currently assess our effectiveness through:

- **Our supplier responsiveness:** How they respond to our ethical sourcing requirements and any questions or resistance received. We create pathways and timeframes to best suit the individual supplier and their circumstance.
- **Our monitoring:** We regularly engage in open discussions on the findings and root causes of potential risks with our suppliers to communicate effectively back to their Tier 1 factories. We offer support to develop clear corrective action plans and update them on their progress.
- **Supplier Feedback:** In all our communication, we always ask suppliers to inform us and provide feedback on our procedures to improve our approach and enhance their experience. In 2021 we launched an anonymous feedback survey open to suppliers and factory managers in English and Mandarin.
- **Our training:** In 2022, we will enable suppliers and factory managers to share feedback on the training opportunities we provide. This will allow Princess Polly to assess engagement with and relevance of the training content, where further knowledge is required, and whether new knowledge has been adopted and implemented.

REVIEW OF OUR MODERN SLAVERY PROCESSES

We are proud of our achievements to date, and are dedicated to empowering the employees of the factories we work with and protecting vulnerable people within our supply chain. We also recognise that there is always room to enhance existing practices and expand our processes further.

We are committed to performing quarterly reviews of all policies, programs and governance, including external consultation with industry groups and our supply chain.

PROGRESS ON ACTIVITIES PLANNED FOR 2021	ACTIVITIES PLANNED FOR 2022
ASSESSING	
<ul style="list-style-type: none"> • 89% of factories completing production for Princess Polly were Sedex members and 71% of factory managers had completed a Self Assessment Questionnaire • Began to map the capabilities of our Tier 1 supply chain • 76% of our Tier 2 supply chain was traced • A new comprehensive risk assessment process and indicator list was developed • Expanded our comprehensive site-specific risk assessment process to include non-merchandise branded goods in high risk locations 	<ul style="list-style-type: none"> • Expand risk assessment to comprehensively review low and medium risk value chain stages, including distribution and contractors • Finalise membership of all Tier 1 factories to Sedex and support factories to complete their Self Assessment Questionnaires • Trace 100% of our Tier 2 supply chain • Extend our mapping of Tier 3 inputs, and tracing of Tier 3 main input production sites • Verify our capability assumptions • Rollout improved risk assessment and supplier gradings
ADDRESSING	
<ul style="list-style-type: none"> • Created a Responsible Purchasing Policy and roadmap with the support of the Merchandise team • Completed a Gender Equality assessment and created a Gender Equality Roadmap • 100% of Tier 1 factories were audited by July 2021. This was extended to include Tier 1 non-merchandise branded goods factories in high risk locations. • Provided suppliers individual guidance to close 36% of issues auditing • Rolled our Worker Sentiment Surveys at 30% of T1 sites, including questions to assess the effectiveness of existing grievance mechanisms • A Code-of-Conduct review was completed, including increased expectations for addressing discrimination and rights violations of vulnerable workers in our supply chain • A living wage analysis for each province or state our Tier 1 factories operate in was completed 	<ul style="list-style-type: none"> • Meet the requirements of our Gender Equality Roadmap, our Responsible Purchasing Roadmap and our Living Wage Roadmap • Employ an Ethical Sourcing resource in China, who will support us to visit and support 100 of our Tier 1, 2 & 3 sites annually • Launch grievance pilot program in factories where ineffective grievance mechanisms exist • Launch Elevate's EiQ training platform for suppliers, enrolling factories in specific trainings to assist in addressing non-compliant practices • Provide 1:1 training with suppliers to assist in addressing the root cause of issues raised during auditing • Extend Worker Sentiment Surveys to 70% of Tier 1 factories, as well as all visited Tier 2 and Tier 3 sites • Extend our Respect and Empowerment Program Pilot

AWARENESS

- Provided access to core trainings on Modern Slavery and Corrective Action Plans to all suppliers and factory managers.
- A Vendor Portal was created and rolled out to support suppliers through onboarding and compliance
- A 2021 Sustainability Recap was published for customers, including an overview of our Ethical Sourcing projects and 2022 targets
- Our Sydney-based suppliers were visited. Due to ongoing border restrictions in Australia and China, we were unable to visit our China-based suppliers in 2021, and have now employed a full-time resource in China who is facilitating these visits in 2022.
- Expand modern slavery training for Merchandise Team by building a bespoke training module on Responsible Purchasing
- Rollout a preferred vendor system where suppliers are awarded for positive behavior
- Publish a 2022 Sustainability Recap for customers, including an overview of our Ethical Sourcing projects and targets, specifying new targets for 2023.
- Keep suppliers and factory managers updated on our team, our ethical sourcing requirements, best practice examples and industry news through a bi-annual newsletter
- Improve supplier input to review existing practices
- Launch our first training for female workers, facilitated through HERProject

ACCOUNTABILITY

- Built a KPI dashboard for all Ethical Sourcing goals, including responsible purchasing
- Actively participated in industry and peer working groups on modern slavery
- Joined the Mekong Club and completed our Modern Slavery Benchmark
- Participated in Baptist World Aid's Ethical Fashion Report, receiving a 'B' grading
- Expand our KPIs to track Gender Equality and Living Wage indicators
- Actively participate in industry and peer working groups on modern slavery, including the Sedex SAQ working group
- Collaborate with other companies owned by a.k.a. Brands



EXTERNAL BENCHMARKING

We are dedicated to communicating transparently with our customers and industry about our progress toward our social responsibility targets and commitments. In 2021, Princess Polly participated in Baptist World Aid's Ethical Fashion Report for the first time, receiving a B grading. We believe engaging with external parties provides greater transparency to our customers.

The feedback from benchmarks like these provides us with an overview of our strengths and opportunities, while holding us accountable for our business and operations to ensure we are doing our best to put people, the planet and the community first.



7.0 INDUSTRY COLLABORATION AND CONSULTATION

We acknowledge the importance of a collective approach and believe in aligning with partners to understand and address human rights risks, including those related to modern slavery. Our network includes the United Nations Global Compact, Sedex, the Mekong Club and Elevate.

Wez Bryant has approved this statement on behalf of the reporting entity, Princess Polly Online Pty Ltd and Princess Polly USA, Inc. Princess Polly has prepared the required statement to be compliant with the Australia Modern Slavery Act (Cth) and California Transparency in Supply Chains Act. The statement was prepared in consultation with suppliers, industry organisations, third party consultants and NGOs.

