

SUSTAINABILITY



REPORT

ABOUT THIS REPORT

During the year, the Group progressed sustainability outcomes across packaging, product, transparency, climate action, and community:

- + Universal Store and THRILLS achieved brand certification under the Global Recycled Standard (GRS) and Organic Content Standard (OCS), strengthening product traceability and enabling clear, credible labelling for our customers.
- + We continued to build transparency across our supplier network, deepening Tier 2 traceability and assessing human rights risks. A benchmarking survey helped evaluate environmental performance across our top factories, whilst additional analysis focused on measures that could be implemented to reduce excessive working hours in factories.
- + Sustainability criteria were introduced for the procurement of customer packaging, shifting to recyclable options.
- + Renewable electricity certificates were procured for our Brisbane Support Office and Distribution Centre.
- + In preparation for new mandatory climate change reporting standards, the Group conducted a detailed assessment of climate risks impacting our operations and value chain. The new climate change reporting standards will first apply to the Group in FY27.
- + The team engaged in a number of sustainability activities including the Thrills Community Day at Brunswick River, the Universal Store's head office Swap Shop which strengthened circularity efforts, and through our membership in Seamless, supporting the national goal of a circular clothing economy by 2030.



OUR SUSTAINABILITY STRATEGY

Our commitment to sustainability is based on a holistic approach to meeting the expectations of our customers, team and other stakeholders while delivering sustainable value to our shareholders.

Our Sustainability Plan is founded on four commitments:

TREAD LIGHTLY



CLIMATE ACTION



EXPECT TRANSPARENCY



AMPLIFY OUR ACTIONS





We invite you to explore our progress and challenges towards sustainability. We are guided by our four foundational commitments as we endeavour to create a more equitable, resilient, and sustainable future for all.

This report is to be read in conjunction with our **Modern Slavery Statement** which provides details of our supply chain modern slavery risk assessment, due diligence systems and implemented monitoring processes to eliminate Modern slavery risks in our supply chain.

For questions and feedback, please contact us at: sustainability@universalstore.com.au

REPORTING STANDARDS AND FRAMEWORKS

The Group uses globally recognised standards such as the Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB) to guide corporate reporting. By aligning to these standards and expectations, we ensure that our stakeholders receive comprehensive and comparable information.

In accordance with the new mandatory climate change reporting standards, the Group's compliance will be independently audited from FY27.

Visit www.universalstore.com/sustainability for information on our sustainability and emissions calculations and the procedures used to gather and disclose our data.

GOVERNANCE

Our sustainability governance system ensures collaboration between the Board of Directors, Group CEO, leadership team, and the Sustainability & Ethical Sourcing (SES) team and reflects our sustainability strategy.

Key elements of our governance system include:

- + Board and senior management commitment to human rights and sustainability.
- + The Board's Audit and Risk Committee is responsible for overseeing the adequate management of sustainability risks, with sustainability being a standard agenda item and the Committee also ensuring adequate disclosures are provided.
- + The Group CEO oversees policy implementation.
- + Regular reporting of sustainability KPIs and regulatory disclosures to our Executive Team and the Board.
- + The Group's sustainability team is responsible for policy development and collaborates with other functional teams and suppliers to drive improvements.



THESE INITIATIVES, INCLUDING SUPPLIER RELATIONSHIP MANAGEMENT AND PROGRESS REPORTING, ARE REVIEWED AT THE BOARD'S AUDIT AND RISK COMMITTEE MEETINGS TO GUIDE RISK MANAGEMENT. THROUGH THESE MECHANISMS, WE UPHOLD ETHICAL AND SUSTAINABLE PRACTICES WHILE STRIVING FOR CONTINUOUS ENHANCEMENT.



PROGRESS ON OUR TARGETS

Our sustainability strategy includes 10 targets to guide our journey towards a more sustainable future. The table below provides an overview of our progress against each target.

FOCUS AREA	TARGET	2025 PROGRESS
TREAD LIGHTLY		
 Resources & packaging	Targeting zero waste to landfill from DC operations by 2030.	80%
	100% of bags and online mailers are reusable, recyclable or compostable by 2025.	100%
 Responsible procurement	Procure at least 50% of all cotton from certified sources by 2025.	54.5%
	Procure at least 50% of polyester from certified recycled sources by 2028.	25.1%
EXPECT TRANSPARENCY		
 Policies & procedures	100% of suppliers endorse our Supplier Code of Conduct.	Private brand factories - 100% Third Party brands - 99%
 Social audits	100% of Tier 1 factories audited.	Tier 1 - 100%
 Energy & water efficiency	Target suppliers with manufacturing facilities applying best practice water, waste and chemical management practices by 2025.	Survey completed
CLIMATE ACTION		
 Reduce carbon emissions	100% of stores equipped with energy efficient LED lights.	100%*
	Maximise the proportion of on-site renewable electricity for our support office and DC by 2025.	27% average
AMPLIFY OUR ACTIONS		
 Charter of environmental attributes	To have one million customer education touchpoints on responsible use and care of garments by 2025.	Refer to Amplify Our Actions section for more details

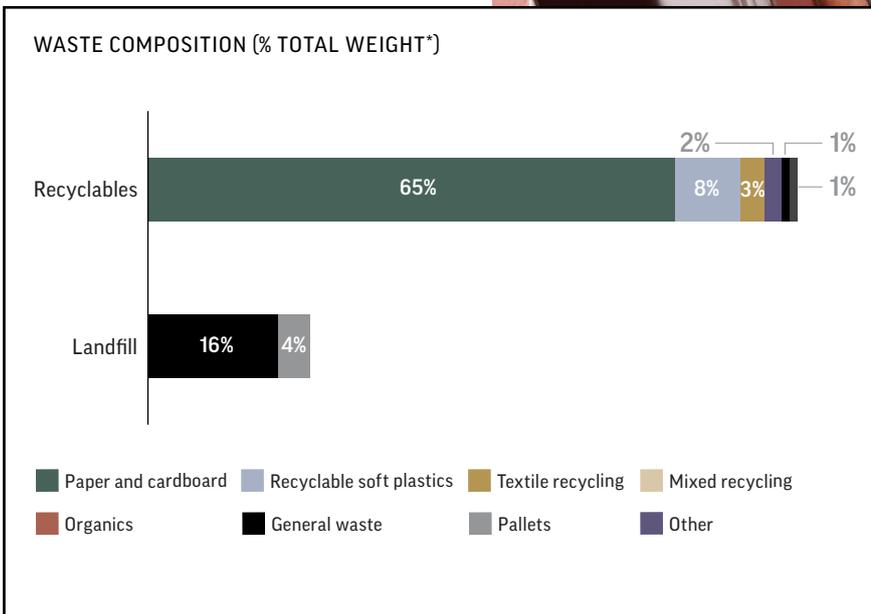
* Universal Store Marion will be upgraded to LED lighting as that store is refurbished in FY26.

TREAD LIGHTLY



RESOURCES, PACKAGING & RECYCLING

Our Universal Store Distribution Centre (DC) recycling performance reached 80% in FY25. Our recyclable materials collected in our DC have increased by 50% year on year driven principally by the cardboard and soft plastics quantities collected due to additional volumes of goods processed in the period and the team's efforts to collect recyclable materials efficiently. Our team members continue to focus on the efficient use of recycling infrastructure to sort and recycle packaging materials such as paper, cardboard and soft plastics. We seek to innovate by partnering with existing and new waste and recycling service providers to ensure an increasing volume of valuable resources are diverted from landfill.



**DIVERSION FROM LANDFILL
(% TOTAL WASTE TONNAGE*) IN FY25**

80%

*Universal Store operations only



DISTRIBUTION CENTRE PACKAGING (% TOTAL WEIGHT)

85%

of packaging products used by weight by the DC is cardboard or paper based and therefore Recyclable.

PRODUCT PACKAGING (% TOTAL WEIGHT)

63%

of packaging products used by weight for on-product labelling are recyclable materials.

SUSTAINABLE PACKAGING PROCUREMENT

As part of our commitment to sustainable packaging, and in alignment with our Sustainable Packaging Policy, we've set clear sustainability criteria for the procurement of online mailers for our Perfect Stranger brand. We focused on identifying a packaging solution made from recyclable materials, supporting our 2025 goal for 100% of bags and online mailers to be reusable, recyclable or compostable. The move to paper-based mailers offers clear benefits for customers, who can now easily recycle packaging through household recycling systems. This change brings us one step closer to circularity in packaging.

In addition, we focus on the use of recycled materials for our packaging. We prioritise packaging solutions that have recycled content in their composition such as recycled cardboard shipping boxes and recycled card swing tags for on-product labelling. Our target will be updated to reflect circular priorities including recycled content, reusability and recyclability.

UNIVERSAL STORE AND THRILLS CUSTOMER PACKAGING MEETS OUR TARGET TO PROVIDE

100%

REUSABLE, RECYCLABLE OR COMPOSTABLE CUSTOMER BAGS AND ONLINE MAILERS BY 2025.

TREAD LIGHTLY (CONT.)

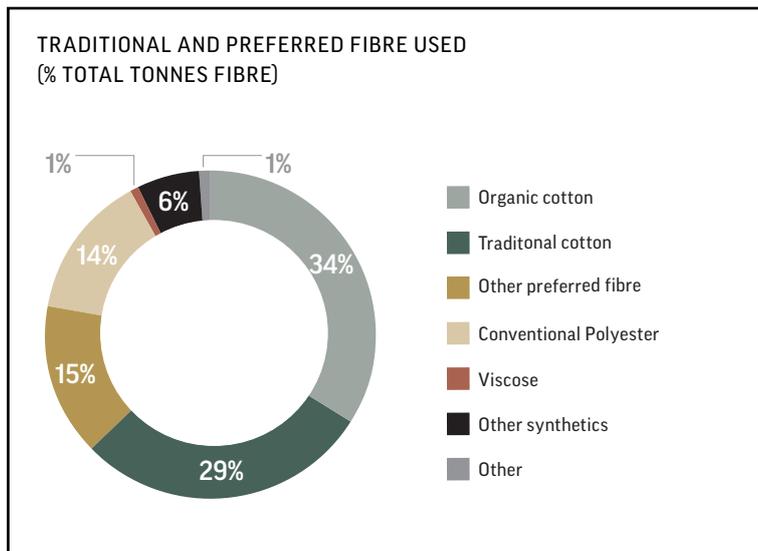


RESPONSIBLE PROCUREMENT

PREFERRED FIBRE PROCUREMENT

In FY25, the Group procured a total of 1,273 tonnes of fibres, reflecting business growth. Nearly half (49%) of these were preferred fibres – a slight dip from 51% in FY24, yet still a strong signal of our commitment to reducing environmental and carbon impacts linked to raw material choices.

Organic cotton remains our most used fibre, now making up one-third of all fibres procured – a 2% increase year-on-year. Thrills and Worship continue to lead, with over 70% of their fibre being organic cotton. These results reinforce our drive to prioritise lower-impact fibres across our product range.



FIBRES CERTIFIED TO TEXTILE STANDARDS (% OF TOTAL WEIGHT)

54.5%

FY25 COTTON

25.1%

FY25 POLYESTER

US PREFERRED FIBRE (% OF TOTAL FIBRE USED)

49%

FIBRE USE (TOTAL TONNES FOR APPAREL ONLY EXCL. SHOES, ACCESSORIES, AND GIFTING)

1,273t

FY25 US

352t

FY25 CTC



BRAND CERTIFICATION

The Group is working towards sourcing at least 50% of our cotton from certified sources by 2025 and 50% of our polyester from certified recycled sources by 2028. To support these goals, we continue to engage with suppliers and brands to clarify certification expectations early in the product development and ranging processes. We have implemented internal reporting systems to track and communicate our progress with procurement of preferred fibre styles.

During the year, we reached a key milestone by achieving brand certification under the Organic Content Standard (OCS) and the Global Recycled Standard (GRS), both managed by Textile Exchange. Brand certification strengthens supply chain transparency and enables the Group to label products in line with internationally recognised textile sustainability standards.

Whilst we are still developing and implementing guidance for our design teams on labelling, certification helps reduce the risk of greenwashing. Clear labelling empowers our customers with credible information about the certified materials in their products – reinforcing trust and promoting more responsible purchasing choices.

CHEMICALS SAFETY

As part of our commitment to responsible procurement, the Group continuously monitors developments in regard to the regulation of harmful chemicals in Australia to further refine our approach to chemical use. To date, this work has focused on building a foundational understanding of the substances, dyeing processes and printing techniques commonly used across the industry. We've also surveyed our Tier 1 factories to assess their chemical management practices and certifications. This research is guiding our understanding of the use of hazardous substances in the industry and a move towards safer, more sustainable alternatives. Next, we will continue implement our environmental survey to factories and fabric suppliers to better understand the dyeing and printing methods used and their management protocols. We are also exploring sustainable dyes and techniques and considering safe chemical management certification options.

TRANSPARENCY

MAPPING TIER TWO MANUFACTURING FACILITIES

In FY25, we continued to strengthen visibility and assess human rights risks deeper within our supply chain. Our focus was on gathering reliable Tier 2 factory data and reviewing social risks of declared facilities.

Analysis confirmed that our top-spend suppliers continue to work with the same partners, with most holding valid SMETA or BSCI audits, as well as preferred fibre certification.

However, we observed significant movements among lower-spend suppliers, resulting in new supply chain relationships to monitor. The dynamic nature of deeper levels of our supply chain is leading us to reassess our approach to Tier 2 compliance, instead considering the benefits of focussing on the resolution of audit issues for our strategic partners and their supply chain.

Our commitment to transparency through the Tier 2 social audit process has allowed us to identify and address issues driving continuous improvement of working conditions deeper in our supply chain.

Resolution of Social Audits Non-Conformances:

CATEGORY	OPEN	RESOLVED
Health & Safety	64	62
Working hours	26	-
Wages and social insurance benefits	26	-
Governance	5	4

As part of our audit programme, the Group collaborates with direct suppliers to obtain independent third-party audit reports for all Tier 1 and nominated Tier 2 factories.

During FY25, 121 audit non-conformances were raised in Tier 1 and Tier 2 suppliers' annual audit reports.

Most non-conformances related to health and safety matters, which we prioritised for resolution. 97% of Health & Safety matters were resolved during the period.

For more details on our suppliers' engagement process and remediation of non-conformances, please refer to our Modern Slavery Statement which includes details of our approach, collaborative efforts, case studies and key performance indicators including the ratio of non-conformances by category in audit reports.



ENDORSEMENT OF SUPPLIER CODE OF CONDUCT (% TOTAL NUMBER OF SUPPLIERS) IN FY25

100%

PRIVATE BRAND SUPPLIERS

99%

THIRD PARTY BRANDS*

FACILITIES AUDITED DURING THE PERIOD (% TOTAL FACILITIES) IN FY25

100%

TIER 1 (US + CTC)

* 180 brands signed and one in progress.



WORKING HOURS NON-CONFORMANCES

While our efforts have focused heavily on resolving health and safety concerns as a priority, we recognise the need for attention to industry risks, particularly those relating to the use of excessive working hours in textile manufacturing factories in China. In FY25, we conducted targeted analysis of working hour non-conformances, which remain a common and complex issue across manufacturing sites in China. Drawing on the success of our existing non-conformance review process, we applied a similar approach to address working hours non-conformances. This included investigating root causes of overtime exceeding the lawful limit of 36 hours per month and working with suppliers on practical improvement strategies.

We encouraged our suppliers to:

- + Monitor working and overtime hours;
- + Improve production planning and efficiency; and
- + Build greater workforce flexibility, including hiring additional staff during peak production periods.

These steps support more sustainable labour practices, while ensuring production goals are met without breaching legal or ethical standards. Our collaboration with suppliers continues and more details will be shared in our FY25 Modern Slavery statement.

BEST PRACTICE IN MANUFACTURING

Environmental Survey

Universal Store is committed to work with factories that adopt best practice environmental management systems by 2025. This year, we established environmental performance baselines for the garment manufacturing facilities in our supply chain. We engaged suppliers, trained them to collect environmental data, and collated information on their factories environmental performance.

The survey unveiled that our top 10 suppliers – representing 93% of our total FY25 spend – use factories that actively track environmental performance using industry tools or structured internal systems. It is a satisfactory outcome to have established that factories have access to reliable data, increasing the environmental accountability of our supply chain which all Tier 1 factories have committed to in line with our Supplier Code of Conduct. We continue to prioritise partnerships with suppliers that demonstrate strong environmental practices and transparent data reporting.

CLIMATE ACTION

CLIMATE REPORTING

The Group is a reporting entity under the recently introduced Australian Sustainability Reporting Standard AASB – S2 *Climate risk-related disclosures*. The business has completed a gap analysis of the standard requirements.

During the year, we have held Board and executive level education sessions and set up an executive working group to undertake preparatory work. The Group is working towards meeting the Climate risk disclosures requirements with our first mandatory disclosure due as part of our FY27 annual reports.

EMISSIONS FOOTPRINT

The Group continues to mature its approach to measurement and reporting of carbon emissions by seeking to collect and report emissions data in alignment with the Greenhouse Gas Protocol. We continue to gain maturity in this area and to translate our footprint into valuable insights for the business to drive decision making in our operations.

TOTAL EMISSION FOOTPRINT* – UNIVERSAL STORE & THRILLS (KT OF CO₂e) IN FY25

28.9kt

CO₂e EMISSIONS

COMPRISED OF

1.8kt

SCOPE 1 & 2 EMISSIONS

27.1kt

SCOPE 3 EMISSIONS.

6%

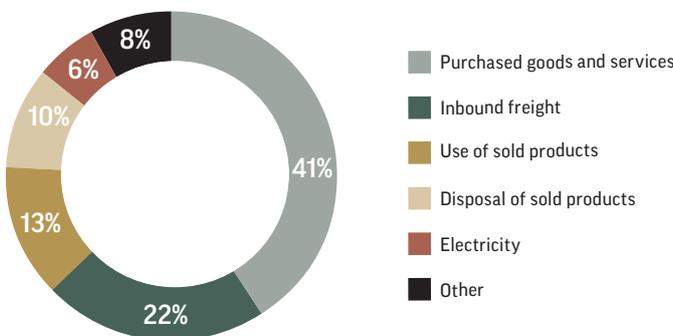
of emissions related to Scope 2 emissions, from the use of electricity across our operations

94%

of emissions are Scope 3 emissions, such as emissions relating to upstream and downstream activities.

* Visit www.universalstore.com/sustainability for information on the basis of our emissions footprint calculations and the procedures outlining how we gather and disclose our data.

EMISSIONS SOURCES (% OF TOTAL EMISSIONS)



The Group most significant sources of emission are purchased goods (41%) such as emissions associated with fibre consumed and manufacturing of products. Other Scope 3 emission sources comprise Inbound Freight (22%), use of sold products (13%), clothing end-of-life textile waste (10%). The remaining % include various emission sources such as employee commuting, postage and courier services, waste, and business travel. We continue to focus on increasing the accuracy and streamlining of data collection to improve future emissions inventories.

CARBON EMISSIONS

Renewable Energy Investments

This year, we procured GreenPower® certificates by our Universal Store Support Office and DC for the equivalent electricity consumed from the grid. GreenPower® certificates are a government-accredited product certifying renewable electricity generation. This supports our Climate Action pillar and represents a key step in reducing our controllable Scope 2 emissions.

GreenPower® is an effective option for smaller energy users like Universal Store, with our energy retailer purchasing and retiring renewable energy certificates on our behalf. Importantly, GreenPower® is additional to Australia's Renewable Energy Target and is independently audited, helping to drive further investment in renewable energy infrastructure across the country.

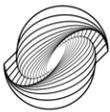
AS NEXT STEPS, WE WILL CONTINUE TO MAXIMISE ONSITE SOLAR OPPORTUNITIES AND ARE ACTIVELY INVESTIGATING RENEWABLE ENERGY PROCUREMENT OPTIONS ACROSS OUR NATIONAL STORE NETWORK.



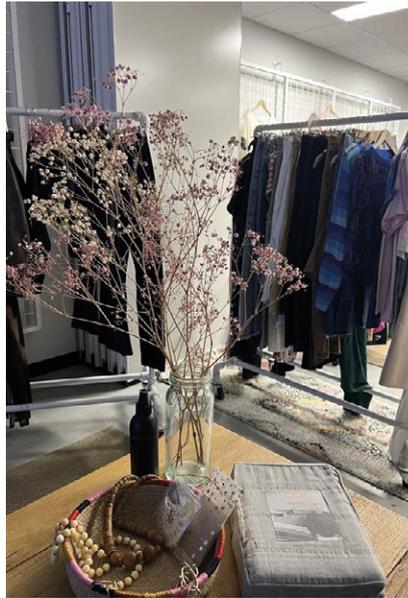
AMPLIFY OUR ACTIONS



INDUSTRY COLLABORATION



Seamless
Member



SEAMLESS NATIONAL STEWARDSHIP SCHEME

Universal Store is proud to be a member of Seamless, Australia's national clothing stewardship scheme, which aims to create a fully circular clothing economy by 2030. This industry-led initiative addresses the staggering volume of unwanted clothing sent to landfill each year and calls on all brands to take responsibility for the full lifecycle of the garments they produce. By joining Seamless, Universal Store acknowledges our joint responsibility – from how we design and manufacture products to how they are reused, reprocessed, or recycled at end of life.

We are proud to support this recently formed industry group and we actively engaged in Seamless working groups, contributing to the development of a shared roadmap for the industry and identifying practical solutions to common industry challenges. We also took meaningful steps to build internal capability, with several design team members completing specialist training on circular design principles.

TEAM INVOLVEMENT IN SUSTAINABILITY

The team has enthusiastically come together across a range of initiatives to support and advance our sustainability goals. One standout initiative was the Team Swap Shop, hosted by the Universal Store support office, which piloted a successful recommerce event. This initiative encouraged circular fashion by giving pre-loved clothing a second life and highlighting the value of reuse within our community.

Our CTC team took part in a community tree planting day in the Northern Rivers region of NSW, volunteering their time to help regenerate degraded farmland – demonstrating our continued commitment to environmental restoration.

We also offer a Rag Bag initiative at our support office, allowing faulty, unsaleable items and samples to be redistributed among team members, reducing waste and keeping usable product out of landfill. In addition, teams at our distribution centre and support office participate in Containers for Change, with funds raised donated to support a sea life charity – combining recycling with purpose.

Together, these efforts show how sustainability is not just a goal for the Group, but a shared team value brought to life through practical, community-focused action.

CUSTOMER EDUCATION

In FY25, Universal Store achieved creating 360k customer touch points on responsible use and care of garments. Our online care guide was launched in 2024 and we have included this information in shipment confirmation emails to help customers learn how to extend the life of their garments.

The Group is undertaking customer research to better understand its customers' sustainability expectations. This understanding will inform future customer facing measures and targets.

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Universal Store Holdings Limited