

# Modern Slavery Statement

2023



ascolour.

**This modern slavery statement has been published in accordance with the Australia Modern Slavery Act 2018 (Cth)**

It sets out the steps taken by AS Colour Pty Ltd during the year ending 31st March 2023 to assess and address the risks of modern slavery in its operations and supply chains.

**The registered office details are:**

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## Introduction

AS Colour Pty Ltd (AS Colour Australia) is a clothing company that undertakes the design, marketing, sales and distribution of quality staples. From the conception of our brand, “doing the right thing” has been important to our team and customers.

We aim to be transparent about the work we’re doing to contribute to a sustainable, equitable and safe industry, and realistic about what’s still to be done. And while being a small player in a global market can at times be daunting, we believe that using our leverage means we can make a meaningful impact on human rights and that we can all make a difference.

This is our first Modern Slavery Statement under the Australian Modern Slavery Act 2018 (Cth), covering the reporting period from 1 April 2022 – 31 March 2023. While this Statement covers AS Colour Australia, we take a group-wide approach to addressing the complex issue of modern slavery. AS Colour Holdings Limited, and all of its global subsidiaries including AS Colour Australia (together, us, we, our and AS Colour Group) follow group-wide policies and procedures, and our AS Colour Group wide values have informed our response to modern slavery. Accordingly, in this Statement we have shared additional information about the AS Colour Group’s broader operations and supply chains and the steps other entities within the AS Colour Group are taking to assess and address the risks of modern slavery.

The term modern slavery describes situations where coercion, threats, or deception are used to exploit victims and undermine their freedom. Modern slavery takes various forms, including slavery by ‘ownership’, servitude, forced and compulsory labour, debt bondage, forced begging and human trafficking.

According to 2023 Global Slavery Index, there are an estimated 50 million people living in modern slavery on any given day globally. It is a global issue that has the potential to affect our organisation’s activity and our supply chains. It’s therefore imperative that we work to continuously monitor and change our business practices, and share what we’ve learned.

This means complying fully with the law and acting ethically and responsibly. It means sourcing our products and services exclusively from suppliers that provide safe working



conditions, treat workers with respect and conduct business in an environmentally and socially responsible manner. As a company we agree with the reporting requirements of the Australian Modern Slavery Act and affirm all legislations and ventures that push positive social transformation.

### Principal Governing Body Approval

This modern slavery statement was approved by the Board of AS Colour Pty Ltd (ACN 130 999 165) in its capacity as principal governing body of AS Colour Pty Ltd (in accordance with section 13 of the Modern Slavery Act 2018 (Cth) on 29 September, 2023.

A handwritten signature in black ink, appearing to read 'Lawrence Railton'. The signature is fluid and cursive, written over a white background.

### Signature of Responsible Member

This modern slavery statement is signed by Lawrence Railton in his role as Director of AS Colour Pty Ltd (in accordance with section 13 of the Modern Slavery Act 2018 (Cth) on 29 September, 2023.

# Partnerships and Collaborations

The AS Colour Group has a number of partnerships with key organisations that help support our efforts to identify, assess, and address risks of modern slavery within our operations and supply chain. This commitment requires collaboration on a wide scale to help support the industry and the people in it.



Reemi is a social enterprise and non-profit, with 100% of their profits going towards helping others. AS Colour has partnered with Reemi to help workers in our factories.

Reemi's work centres on making periods equitable for all – believing no one should be held back because of their body doing what it was designed to do. At its core, this work is about dignity, education, and long-term positive change. Reemi is conducting leading research in the field of menstrual stigma and the adoption of new health technology. They have conducted their program with three of our key suppliers in Bangladesh. This means our garment workers have access to education about menstrual health, helping to break down social stigma and increase awareness of hygiene risks. Together, we've also been able to produce and distribute culturally appropriate menstrual health products that aim to an end to those hygiene risks. With our support, Reemi is working on a scale-up program so that all our Tier 1 suppliers in Bangladesh will eventually have access to the benefits and in a timely manner.

Partnering together allows us to have a greater impact on the lives of garment workers - who have been reported to be particularly vulnerable to risks of modern slavery globally.





Better Cotton is the largest cotton sustainability program in the world and uses members' fees to tackle labour challenges that often exist in the farming sector, aiding in Better Cotton's core vision of a world where all cotton farming is sustainable.

Better Cotton is an ever-evolving program creating new targets for themselves and their members every year. Working with on-the-ground partners across the world to support cotton communities to build resilience and improve their livelihoods, it has a big focus on women's equality within the cotton farming community and in some cases helps them gain economic independence and or leadership roles.

Being members of an organisation that improve social, environmental and economic outcomes for the industry we are a part of is an important ethos of ours. Better Cotton's practices include robust standards prohibiting forced labour and promoting decent working conditions. Better Cotton work collaboratively with other initiatives and stakeholders to continuously improve their standards and have removed themselves from certain regions that are known for their use of modern slavery until no forms of slavery and religious freedom is granted in those areas.





Our group auditing partner Amfori is a leading business association for transparent and sustainable trade. Their vision, 'Trade with purpose' helps members monitor and improve their supply chains to deliver social and environmental benefits.

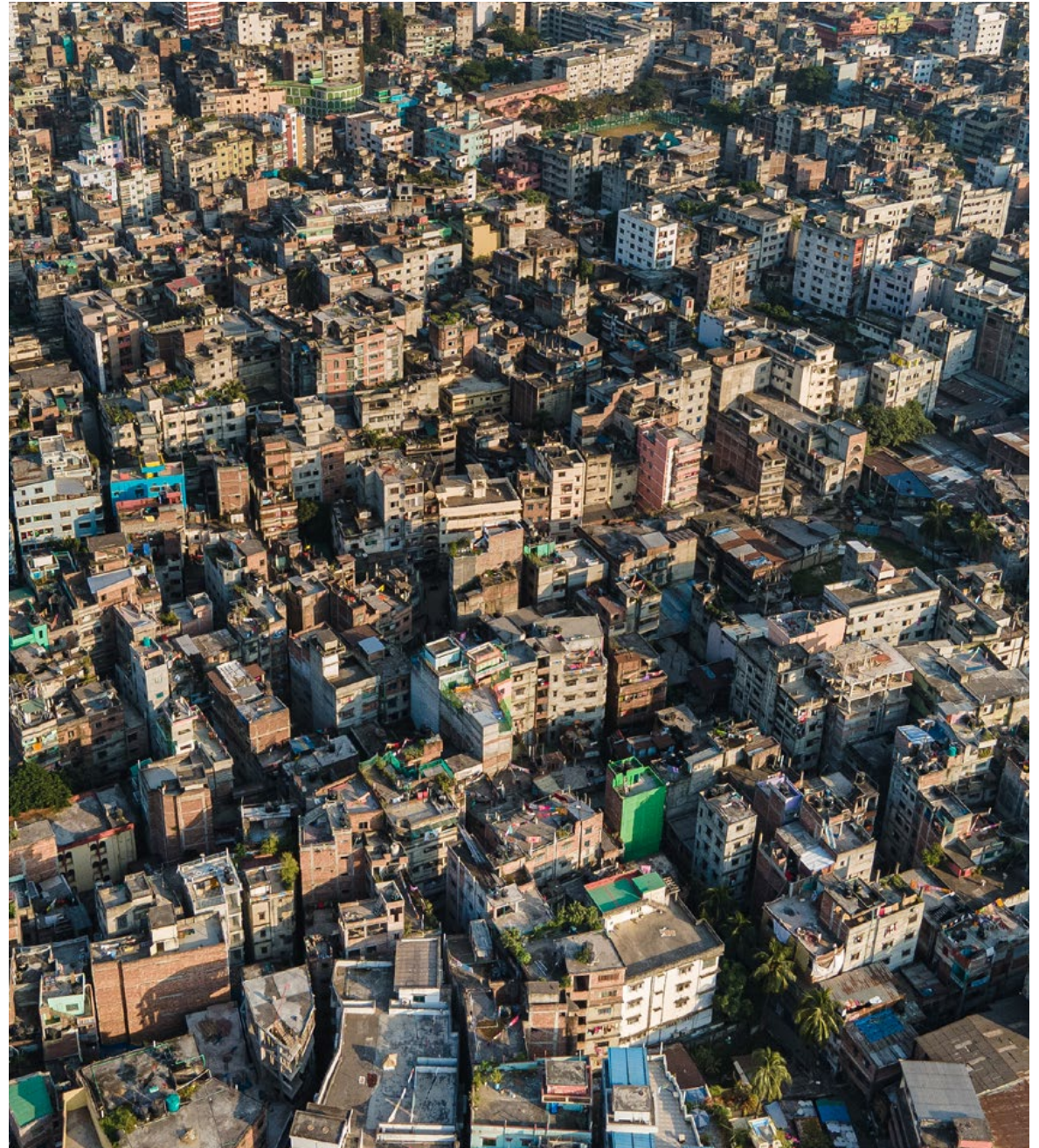
Amfori's Business Social Compliance Initiative (BSCI) incorporates all of our Code of Conduct including a focus on environmental sustainability, assessing the manufacturer's compliance with our Code of Conduct, local labour laws and internal social standards. Based on findings during the audit, Amfori provides a corrective and preventive action plan for the manufacturer to improve where identified and needed. By joining this program, we have access to a sustainability intelligence dashboard. We add our suppliers to our personal dashboard allowing us to clearly visualise complex supply chains, which provide a single source for all supply chain performance information. We understand that success in addressing the more complex issues involved with modern slavery cannot be achieved independently and therefore a collaborative approach is essential in developing solutions. We believe joining Amfori was an important step towards this.



 **BAPTIST WORLD AID**

Baptist World Aid Australia is a Christian NGO supporting individuals and communities around the world with the goal of global poverty eradication.

Following the tragedy of the Rana Plaza factory collapse in Bangladesh, Baptist took action to spotlight what fashion brands are doing to address modern slavery risks to workers in their supply chains and surveying/grading apparel companies in The Ethical Fashion Report. Tearfund offers support to New Zealand-based participating companies. AS Colour Group have participated in this report since 2016 and acknowledge the value of collaborations between NGOs and brands and benchmarking against others and the AS Colour Group year on year.









# Reporting Entity, Structure, Operations & Supply Chain

# Reporting Entity, Structure, Operations and Supply Chain

AS Colour Australia is the Australian subsidiary of AS Colour Holdings (the ultimate parent company of the AS Colour Group). AS Colour Holdings is a medium-sized company, employing 354 people across the global business. Founded and headquartered in New Zealand, we have subsidiaries in four countries:

- Australia - AS Colour Australia (the reporting entity under this Statement)**
- New Zealand - AS Colour Limited;**
- United States - AS Colour Inc; and**
- United Kingdom - AS Colour UK Limited.**

Our supply chain tier key:

Tier	Role	
1	Finished goods manufactures and artisan producers	
2	Fabric mills, yarn mills and trim suppliers	
3	Yarn spinners and processors	
4	Raw fibre producers	

## Reporting Entity

AS Colour Holdings is a private company majority owned by the family of its founder, Lawrence Railton. New Zealand investment firm Direct Capital is a minority shareholder. Both groups are represented on the Board of Directors of AS Colour Holdings and have had oversight of this Statement.

The reporting entity for the purposes of the Modern Slavery Act is AS Colour Pty Ltd (ACN 130 999 165) (**AS Colour Australia**) with its registered office at 9 Customer Place, Truganina Victoria 3029. AS Colour Australia is submitting and publishing this Statement for the 1 April 2022 to 31 March 2023 reporting period. AS Colour Australia makes this Statement in accordance with section 13 of the Modern Slavery Act as a single reporting entity.

## Structure

AS Colour Australia is an Australian private company limited by shares and is incorporated in Australia. It has 127 employees in Australia. AS Colour Australia does not own or control any other entities for the purpose of the Modern Slavery Act.

## Operations

AS Colour Australia is responsible for the operations of the AS Colour Group in the Australian territory. It's main operations include the sales and distribution of essential clothing and accessories through online and retail channels, where we employ staff and lease and operate 10 retail stores across Australia.

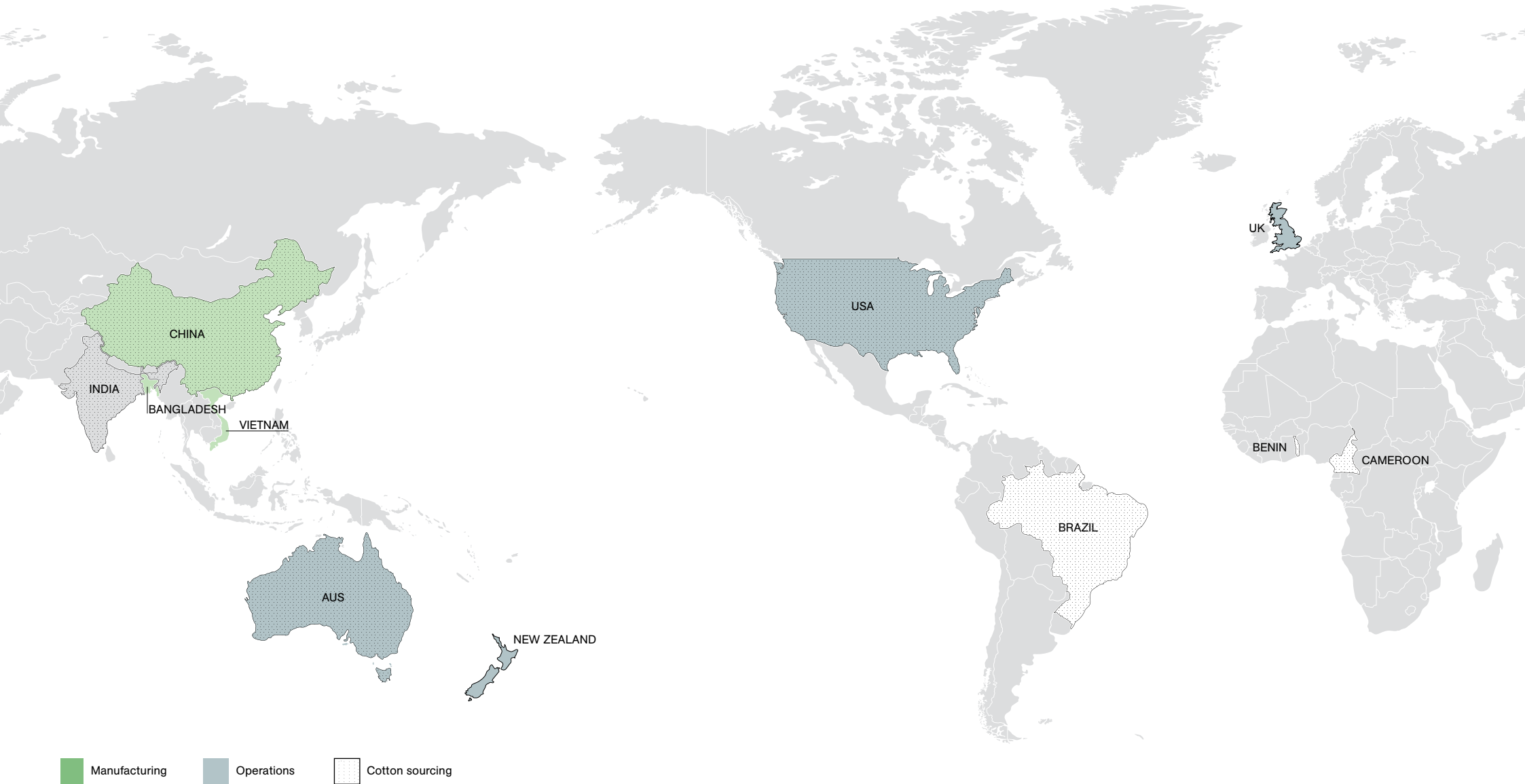
Our global operations includes the distribution of essential clothing and accessories through company operated warehousing in each of the global subsidiaries listed above. Globally, the AS Colour Group. We have 15 retail stores across New Zealand, 10 throughout Australia, two in England, UK, and one in California, USA.

AS Colour Group source materials and products from the same global supply chain for AS Colour Australia and all entities. Australia and the AS Colour Group more generally do not own the factories in which our products are made. Instead we engage with long-term suppliers to manufacture on our behalf, some of which we have worked with for over 10 years. We primarily source Clothing and accessories from manufacturers in Bangladesh and China, and have recently added Vietnam as another sourcing country.

We maintain direct contracts and long-term business relationships with each Tier 1 supplier (direct suppliers). As a group we have a total of 32 business partners, 10 of which are significant business partners, which means they represent a large share of our purchasing volume. 95% of our producers are registered in the BSCI platform. These registered suppliers link their downstream chain through the platform which gives us transparency of our full supply chain, including indirect suppliers.

AS Colour Australia also uses other people-based resources and non-trade goods for the day-to-day operations of the company which include local labour for cleaning, gardening, and building maintenance. AS Colour Australia also source local office supplies, packaging, building and warehousing resources, shop fit-outs, printing, catering, and seasonal labour.

# Global operations



# Risk Assessment

Supply chains are complex and having visibility over the working conditions beyond your direct suppliers continues to be an industry wide challenge. To understand where we have the biggest risks, we have undertaken the following risk assessment steps both in our own organization and in our supply chains.

We substantiate our analysis through media monitoring, industry collaboration and have made use of the Amfori monitoring tools to identify countries that present the highest level of risk of human violations, with a focus on our most direct countries of operation.

# Australia

Risk level: **Low**

Areas of risk

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**Contracting services visibility i.e. cleaners; and**

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**Labour in cotton sourcing operations**

According to the 2023 Global Slavery Index, Australia is a lower-risk country with less vulnerability to modern slavery compared to other countries. Certain industries in Australia, such as the agriculture and food workforce have been linked to instances of modern slavery, however these risks are low compared to other regions. We have identified our biggest potential risk being the sourcing of cotton in Australia.

Further, whilst we hire migrant workers in our direct operations, all worker contracts are compliant with standard local labour laws and workers are entitled to sick leave, annual leave and union membership.

Based on the steps we have taken to assess modern slavery risks, we are not aware of any instance of modern slavery in respect of our AS Colour Australia's operations or supply chains.



Percentage of production

0%

# Bangladesh

Risk level: **High**

Areas of risk

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**Unauthorised sub-contracting**

---

**Labour recruiters and bonded labour**

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**Female exploitation and violence (Gender Inequality)**

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**Sub-minimum wages**

50% of our global production is based in Bangladesh. Classified as one of the Least globally Developed countries by the United Nations, Bangladesh is one of the top garment exporters, with low labour costs attributing to their ranking. We have identified Bangladesh as our highest-risk country for our business. This is due to increased risks of modern slavery for domestic migrant workers, the continuation of gender-based violence, and violence against labour rights protests and human rights activists leaves the country open to human rights violations, unsafe conditions and slow progress. There are also high levels of overtime and risks associated with building safety.

While no cases of modern slavery have been identified in our Bangladeshi supply chain during the Reporting Period, withholding of wages continues to be an issue for workers throughout the country. We believe that businesses that deal in Corporate Social Responsibility (CSR), have lower risk of exploitation in their supply chains due to increased understanding and education around the issues and foreign presence. Our aim is to continue working on our CSR obligations to minimise risks of modern slavery in Bangladesh.



Percentage of production

# 50%

Based in Bangladesh and classified as Least Developed Country

# China

Risk level: **High**

Areas of risk

---

**Unauthorised sub-contracting**

---

**Labour recruiters and bonded labour**

---

**Child labour or young labour; and**

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**Unethically sourced cotton**

The Chinese garments industry is considered the largest manufacturer and exporter in the world. China produces approximately 52% of the global garment production and is responsible for approximately 45% of AS Colour's production. China is considered to be amongst the least democratic countries in the world. Freedom of speech, assembly and religion are all severely restricted by the government. The Chinese government doesn't allow unions with full legal independence from the national trade union. Further, worker strikes are illegal and overtime is prevalent.

State imposed labour camps are still present in 2023 with outside access and remediation restricted. We manufacture in the more developed part of China where modern slavery is less prevalent due to foreign engagement in day-to-day business. However, we see China as being our second highest risk country for the potential risk of cotton sourced through banned regions making it into our products unknowingly.

We are particularly aware that raw materials, such as cotton has been linked to instances of modern slavery in the Xinjiang regions of China and we have taken specific steps to address this risk (see discussions under "Cotton Risks" below)



Percentage of production

# 45%

# New Zealand

Risk level: **Low**

Areas of risk

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**Lack of reform**

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**Contracting services visibility i.e. cleaners**

According to the 2023 Global Slavery Index, New Zealand is considered a lower-risk country with less vulnerability to modern slavery compared to other countries. Migrant worker exploitation has been found within the horticulture, construction and hospitality sectors, however in very low cases. Modern slavery reporting is not yet compulsory in New Zealand however New Zealand has introduced the Modern Slavery Reporting Bill to improve accountability and transparency by businesses in relation to modern slavery in their operations and supply chains.

At present, AS Colour Limited (NZ entity) has a contract for offshore administrative staff that are located in the Philippines. These employees are only assigned to work for one company, being AS Colour Holdings through their agent. We also hire migrant workers in our direct operations. All offshore and migrant employees have contracts that are compliant with standard labour laws, and work for us like any one of our New Zealand employees; e.g. 40 hours per week, and entitled to sick leave and annual leave.

Based on the steps we have taken to assess modern slavery risks, we are not aware of any instance of modern slavery in respect of our AS Colour Australia's operations or supply chains.



Percentage of production

0%

1 This risk-assessment of New Zealand was not undertaken by AS Colour Australia and AS Colour Australia does not own or control AS Colour Limited for the purpose of the Modern Slavery Act.



# United Kingdom

Risk level: **Low**

Areas of risk

## Contracting services visibility i.e. cleaners

The United Kingdom (UK) has been at the forefront of the international efforts to tackle modern slavery and has shown the strongest government response globally. However, changes to the UK immigration policy have threatened to discriminate against and criminalise vulnerable people. Most cases of modern slavery found in the UK are in industries reliant on migrant workers. Female exploitation of migrant women in domestic work roles has also been prevalent in recent years.

We hire migrant workers in our direct operations. All workers contracts are compliant with standard local labour laws and are entitled to sick leave, annual leave and union membership.

Based on the steps we have taken to assess modern slavery risks, we are not aware of any instance of modern slavery in respect of our AS Colour Australia's operations or supply chains.



Percentage of production

0%

<sup>2</sup> This risk-assessment of the United Kingdom was not undertaken by AS Colour Australia and AS Colour Australia does not own or control AS Colour UK Limited for the purpose of the Modern Slavery Act.

# United States

Risk level: **Medium**

Areas of risk

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**Contracting services visibility i.e. cleaners**

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**Labour in cotton sourcing operations**

The United States is a developed country with a polarised political landscape. Territorial and racial inequalities create labour risk. According to the 2023 Global Slavery Index, it is estimated that just over 1 million people live in modern slavery in the United States. Labour breaches found in the textile industry are common, however we do not manufacture in the United States and consider there is no likely link to modern slavery through our product or services. There are cases of labour trafficking, primarily in domestic work, agriculture and farming, construction, retail, hospitality, and illicit activities, among other sectors. Migrant/foreign nationals account for a large portion of the forced labour exploitation cases, with vulnerability primarily driven by a lack of acceptance of migrants, racial and gender discrimination, poverty, and forced labour imposed by the state.

Our biggest potential risk is through cotton sourced from the United States and lack of traceability down to farms.

We hire migrant workers in our direct operations. All workers contracts are compliant with standard local labour laws and are entitled to sick leave, annual leave and union membership.



Percentage of production

0%

3 This risk-assessment of the United States was not undertaken by AS Colour Australia and AS Colour Australia does not own or control AS Colour Inc for the purpose of the Modern Slavery Act.

# Vietnam

Risk level: **High**

Areas of risk

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**Unauthorised sub-contracting**

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**Labour recruiters and bonded labour**

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**Female exploitation and violence (Gender Inequality)**

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**Child labour**

Vietnam is our newest sourcing country and produces about 5% of our volume. They are one of the largest apparel suppliers in the world. Vietnam has many forms of modern slavery present, with some government-incited or enforced. Bonded labour without pay or with heavy reductions, overtime, and child labour are considered among some of the most common types of slavery in Vietnam. A lot of these issues prevail in Vietnam due to lack of enforced regulation. Though no issues have been found in our Vietnamese supply Chain, we are weary of the risks related to sourcing in a country with low governing law.



Percentage of production

**5%**

### **Cotton Risks**

Forced labour is still prevalent throughout the Cotton farming sector, an industry historically linked with varying forms of slavery across the globe. Farms are at Tier 4 of our supply chain and are the hardest to trace back to origin with 100% certainty. We currently allow suppliers to source cotton globally, but the AS Colour Group introduced bans on certain regions or countries when we are made aware of practices that are in conflict with basic human rights and decent treatment of workers. We recognise that Tier 4 is currently our highest risk in our supply chain. We will continuously look for tools to assess and manage the risks in our supply chain.

### **Added Risk**

The COVID-19 pandemic was accompanied by widespread reports of forced labour linked to the crisis. Disruptions to income because of the pandemic led to greater indebtedness among workers and with it reports of a rise in debt bondage among some workers lacking access to formal credit channels. The crisis also resulted in a deterioration of working conditions for many workers, in some cases leading to forced labour. The World Bank indicates that extreme poverty – one important metric of forced labour risk – remains far higher than the pre-pandemic trajectory and the International Labour Organisation (ILO) reports that the jobs recovery has stalled in much of the world.



**Country Risk Assessment\***



\* This is a geographical risk analysis showing the known activities in each region. The risks in this table are not directly linked to our operations in each country.

# Policies, Procedures & Contractual Controls

# Policies, Procedures and Contractual Controls

AS Colour Group, including AS Colour Australia, strives to maintain high standards of employee conduct and ethical behaviour when operating abroad and managing our supply chain. The actions we take to mitigate risks of modern slavery in our operations and supply chains in Australia are informed by the AS Colour Group-wide approach. Since 2018, the AS Colour Group has been a participant of Amfori (BSCI) of the Foreign Trade Association which supports companies to drive social compliance and improvements within the factories of our global supply chains.

We have aligned our own Code of Conduct with Amfori and promote their terms of implementation, cascading it through our supply chain. The Code of Conduct outlines labour standards that seek to achieve decent and humane working conditions, free and fair labour that is safe and absent of any forms of abuse, punishment or harassment.

Our manufacturers are required to respect the Code of Conduct, collectively remediate issues if found and always allow / comply with inspection from approved third parties.

## Relationships

AS Colour Australia and the AS Colour Group more generally really value our relationships. We have formed strong and trusting partnerships with our suppliers which is crucial to having the best possible visibility and meeting due diligence requirements. This ensures honest insight and feedback, fast remediation and alternative approaches to fixing smaller areas of noncompliance.

## Auditing & Remediation

All our global factories are audited at least once every 12 months. The frequency of the audits depend on the findings and gradings of the specific factories. These audits are carried out by Amfori approved testing, inspections and certification companies. They assess 13 different performance areas that aid in upholding our Code of Conduct. During Covid-19, we ordered urgent small audits or social checks on our suppliers, whether they were due or not.

Once an audit is complete the findings and evidence are available on the Amfori platform. It is here that a remediation plan or Corrective Action Plan (CAP) is also submitted if needed. We action any identified risks in the following manner:

- anything critical will need to be remediated immediately
- anything serious but not critical will require a follow-up audit in 3 months; and
- minor issues will require follow-up audits in 6 months.

## Sub-Contracting

No supplier of the AS Colour Group is permitted to subcontract work without our prior approval, and only after the subcontractor has gone through our standard onboarding processes. All samples and bulk production orders must be placed within facilities that have been pre-approved by the AS Colour Group, without exception. In-line inspections on each production order provides added evidence for compliance.

## Policies

To aid in addressing any cases of modern slavery that are identified during audits or visits, we have developed a group Child Labour and Forced Labour Procedure Policy.



Recruitment practices are in line with those recommended by the ILO, BSCI & governments in order to meet the criteria of transparency and security towards job seekers and workers. The AS Colour Group commits to a policy of zero recruitment fees and adheres to a Zero Tolerance Protocol to immediately respond to human rights violations such as trafficking and bonded, or child labour, should it be identified in our supply chain.

Our internal policies and procedures aim to assist elements to pursue a solid human rights due diligence process throughout our supply chain, giving us:

- Procedure to identify business areas and partners that may represent a risk of slavery and/or human trafficking in our supply chain
- Procedure on responsible recruitment concerning identifying, selecting and hiring staff members with utmost respect of their rights; and
- The ability to receive complaints from workers, communities and their representatives in the supply chain who believe that they have been adversely affected by our business partners.

#### **Special Contracts**

When a more prominent risk to human rights and ethical treatment is identified in our global supply chain, different measures of due diligence are required. We have put in place a ban of cotton sourced in countries of concern and will not lift the ban until there is clear evidence of reform. Currently our suppliers have signed agreements with us to not knowingly source cotton from Turkmenistan and Xinjiang. We know we do not operate in these regions but understand that cotton segregation is more difficult to track at this stage.

#### **Training**

Training is an important part of our modern slavery risk management. Our suppliers all have voluntary in-person workshops, online webinars and courses in their local language through Amfori. Courses are made continuously available, and cover modern slavery-related topics and labour practices, including gender discrimination and labour hire ethics.

Our global Head of Compliance and Production Manager, who is responsible for procurement, have attended workshops on 'How to Address Modern Slavery' and 'Working with Remediation Plans'. Our Head of Compliance has continuous training and education through Amfori, Better Cotton and Baptist World Aid/The Ethical Fashion Report webinars.



# Due Diligence & Remediation



## Due diligence and remediation

AS Colour Australia and the AS Colour Group is committed to acting diligently in assessing actual and potential adverse impacts of our business against the values and principles of our Code of Conduct; we do this by identifying throughout the supply chain where the most significant risks for these adverse impacts may occur and acting on them with the aim of preventing and/or addressing them efficiently and effectively.

**Our strategy for field level due diligence is to gain 100% Sustainably sourced cotton with a combination of Better Cotton, Organic Cotton, Recycled Cotton and Australian Cotton.**

We believe the duty to prevent is the best due diligence a company can do towards minimising the potential for modern slavery to be present in our/any supply chain.

**In this context, we have undertaken the following due diligence steps during and prior to the Reporting Period:**

- We have done capacity building assessments with all suppliers so that we can understand the standard volume and time frames all suppliers need to fulfil each purchase order. This can be reassessed if suppliers grow and / or lose staff and is something we will raise awareness of if we notice a change in quality, sampling or fulfilment time. Suppliers are also free to ask for longer lead times or decline orders at no risk to their value in our supply chain
- Supporting supply chain traceability by increasing transparency of our suppliers, their activities and their supply chains. Through the Amfori platform, supplier visits, in-house checking and invoice collecting give us a good understanding of the chain of custody for each product purchase order
- Putting in place a grievance mechanism for individuals and communities who may be adversely affected by our organisation's activity
- Requesting all business partners sign the BSCI Code of Conduct and Terms of Implementation and asking them to pass it onto their own significant partners, creating a positive cascade effect
- Evaluating the risk of new suppliers before onboarding them. Assessing current audits or requesting one ourselves. All new suppliers are required to join Amfori if we move forward with them as a supplier
- We allow for long lead times and don't implement penalties for late shipments
- Training our team members and suppliers, to increase awareness of human rights and modern slavery risks.

We do not knowingly or intentionally contribute to actions that may facilitate or incentivise modern slavery. As a company, we do not request suppliers or internal HR to find the cheapest possible labour for a project, or turn a blind eye to evidence that workers are being exploited. We do not set unrealistic cost targets and delivery timeframes for a supplier, which could only be met by using exploited labour.

**Findings**

We have 32 Tier 1 Suppliers that we monitor through the Amfori platform and audits. In the current Reporting Periods, AS Colour Australia and the AS Colour Group have not identified any cases of modern slavery in its operations and supply chains during the current Reporting Period. No auditor has alerted us of flagrant bonded labour or human trafficking or any forms of modern slavery that required imminent remediation from our side. To date, no worker has reported misconduct in any form through the grievance channels.

**No confirmed zero tolerance cases found**

**One case of payment below minimum wage**

**Two cases of Health & Safety non-conformity**

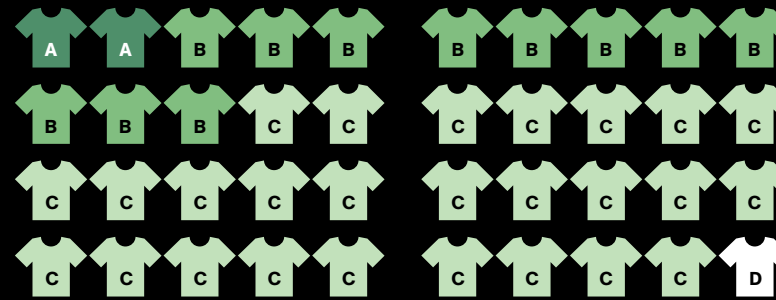
**Nine cases of over time breaches**

**We have identified three main areas that are low scoring. Social Management System, Decent Working Hours & Occupational Health and Safety.**

While we know who our downstream sourcing is and countries of origin for raw materials, we have very little visibility over the Tier 3 (cotton spinners) and Tier 4 (cotton farms) of our supply chain. We cannot reliably report on what the risks of modern slavery are in this part of our direct supply chain beyond country data.

For this area of our supply chain, we do have raw material and chemical accreditations. These provide an extra layer of visibility and assurance, providing the company with confidence in the sourcing and handling of these products. These include Better Cotton, Responsible Down Standard, GOTS & Oeko-Tex.

**Overall audit scores for 2022'**



\*Some producers were audited more than once in a year which is why total numbers in graph are higher than number of producers we have.

**A** Very Good: The auditee has the level of maturity to maintain improvement process without the need for a follow-up audit.

**B** Good: The auditee has the level of maturity to maintain improvement process.

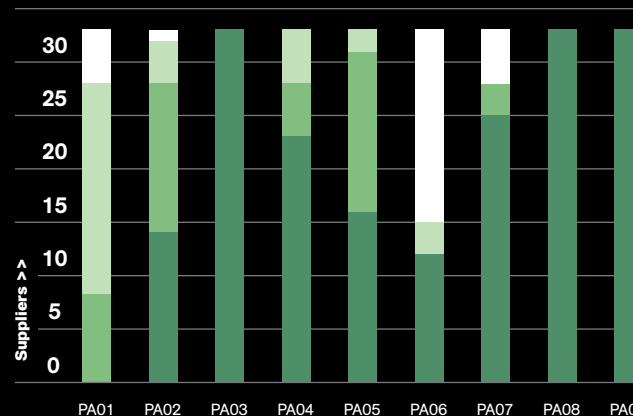
**C** Acceptable: The auditee needs a follow-up to support its progress.

**D** Insufficient: The auditee needs a follow-up to support its progress. Remediation Plan needed within 60 days.

**E** Unacceptable: Close observation needed by participants. Re-audit scheduled to see remediation on higher risk areas.

**Zero Tolerance:** Immediate action required. Amfori Zero Tolerance protocol is to be followed.

**Monitoring results by performance area**



**Performance Areas Descriptions**

- PA01 Social Management System and Cascade Effect
- PA02 Workers Involvement and Protection
- PA03 The right of Freedom of Association and Collective Bargaining
- PA04 No Discrimination
- PA05 Fair Remuneration
- PA06 Decent Working Hours
- PA07 Occupational Health and Safety
- PA08 No Child Labour
- PA09 Special Protection for young workers



### Remediation

Remediation plans are loaded onto the Amfori platform, these plans are generally minor issues of non-compliance such as, labelling hazardous containers improperly, and therefore photo evidence is also included and remediation is timely.

For slightly bigger non-compliance issues, such as not having the correct paperwork, results in the creation of CAPs with timelines included. The correct paperwork will also be found here once available.

Where CAPs or evidence is not found on the platform, we work collaboratively with our supplier to fix the issue or obtain evidence the issue has been resolved.

We have not yet needed to involve our Social Compliance Partner for further assistance and have not found any cases of slavery where greater interference has been needed. Should a case of slavery be found in our supply chain, we would take the following steps to address the issue:

- Identify the issue;
- Inform Directors & the Board;
- Investigate the issue with the Auditor or whistle blower (if safe to), factory, NGO/ Labour Rights Specialist or authorities (if safe to);
- The individual/s affected must be removed from vulnerable working conditions immediately
- The individual/s affected will be given sufficient support, including access to compensation and/or continued financial support, and other forms of remedial assistance such as housing, welfare and healthcare
- Agencies/labour providers/suppliers implicated in such cases must be investigated
- A CAP to be developed collaboratively with the supplier, local NGO/Labour Rights Specialist and AS Colour Australia to develop a responsible solution that is in the best long-term interest of the individual/s affected
- If the plan is agreed upon and actioned successfully, AS Colour Australia or the relevant entity within the AS Colour Group will continue its business relationship with suppliers and provide them with support
- If the plan is rejected or offenses are not dealt with in a timely manner, we will terminate our commercial relationships with the supplier without abandoning the individuals needing support.

# Assessment of our effectiveness in preventing and combating Modern Slavery

We understand that forced labour, human trafficking and slavery risks are not static, therefore we seek to track, measure and evaluate our internal due diligence processes to better understand our performance, progress, effectiveness, remaining risks and impact of our own operations and those of our business partners.

## Process to regularly review

The BSCI insights tool helps us define overall goals and targets to assess our progress in achieving them. Through this platform we are able to see:

- Our supply chains' business partners' areas of continuous improvement;
- Our supply chains' business partners' stagnant or declining performance areas;
- Common country-based issues or areas of non-conformity; and
- Amfori courses completed by our members.

## Risk assessment process

Media monitoring and industry collaboration offer the best assurance that our risk understanding remains up to date, giving us the ability to identify and act as issues arise in countries of operations.

## Grievance Mechanism

We have no reported grievances through our private channels. We have had a direct email and helpline posted in the local languages in our factories and on factory community boards since 2018. We recognise that not having reported issues through this mechanism, doesn't mean there are no issues present but rather that this method might not be the most effective.

## Training

We encourage both internal staff and significant business partners to build their set of skills on human rights and modern slavery through relevant courses, these are available as in-person workshops, and online webinars through Amfori via our membership.

Training provided to our own staff includes:

- In-person workshops hosted by Amfori on How to Identify & Address Modern Slavery
- Attended training on 'How to work with Remediation Plans'
- Undertaken Forced Labour & Modern Slavery online course through Amfori & The Mekong Club
- Undertaken Tackling Modern Slavery & Due Diligence online course
- Undertaken continuous training and education through Amfori, Better Cotton and Baptist World Aid/The Ethical Fashion Report webinars.

We continue to receive external recognition for our approach to protecting workers and the environment. In the 2022 Ethical Fashion Report, we were the third highest-scoring company among 581 companies.

Training provided to our business partners includes: (In their local language)

- Forced Labour & Responsible Recruitment Workshops
- Women's Equality course online
- How to create Remediation Plans.

**Purchasing Practices**

The overriding feedback from our suppliers and industry experts is that the fast fashion buying cycle remains their biggest challenge. The positive feedback about the AS Colour Group is that they do not consider our operation to fall into this category, and despite our relatively smaller volumes, our business is appreciated due to our consistent order placements and systemised working practices, including the fact that we continue to invest our time and resources to understand the reality of production lead times, and that we respect that not all their workers want to work overtime, and that we understand the true value of quality and cost of a product. These factors have definitely all contributed to the long-term success and sustainability of our supply base and our expectation and policy is that all members of our team continue this approach.



### **Consultation Process**

As provided above, AS Colour Australia is the only 'reporting entity' for the purpose of the Modern Slavery Act and submits this Statement as a single reporting entity under the Modern Slavery Act.

AS Colour Australia does not 'own' or 'control' any entities for the purpose of the Modern Slavery Act.

That said, our consultation process included ongoing discussions at an AS Colour Group level on potential risk factors, agreeing on action plans to address such risks and implementing long-term due diligence on any arising matters.

AS Colour Australia Board of Directors are responsible for reviewing and approving the statement. This process includes reviewing draft statements. This statement reflects the work done in support of the board and the wider AS Colour Group, including AS Colour Holding as the ultimate parent company of the AS Colour Group.

## **Further steps**

Based on the effectiveness assessment of our activities and our knowledge on the continuous growth of this issue, we plan the following improvements in future reporting years:

### **In-house assessment**

Taking into account the Commonwealth Guidance to use leverage where possible, AS Colour Australia as a reporting entity under the Modern Slavery Act, intends to conduct an assessment of local suppliers to better understand potential modern slavery risks in connection with local suppliers and engage with such suppliers informed by our AS Colour Group wide approach.

### **Factory visits by Procurement & Compliance Leads**

The Commonwealth guidance states that engaging with suppliers is a key step to addressing and assessing modern slavery risks. We intend for our Head of Compliance and Managing Director to travel to Bangladesh to gain greater insight from some of our key global suppliers, manufactures and working conditions in Bangladesh. We consider that in-person visits are an important assurance measure to assist to verify information provided in audits.

### **Supplier training at management level**

We encourage continuous management re-training and workshops on modern slavery topics through Amfori over the next few reporting periods.

### **B Corp**

We have completed our first BCorp survey which has given us a clear understanding of areas needing improvement and growth. We will continue to work on areas of improvement over the next few reporting periods.

The AS Colour Group recognises that with an estimated 50 million people living in modern slavery on any given day globally, the efforts to tackle such a complex issue will require continuous improvement, collaboration and collective responsibility to mitigate harm to vulnerable individuals.

# Statement Annexure

## Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Section of the Modern Slavery Act	Mandatory criteria	Page #
13	Approval and signing of Statement	1
16(1)(a)	Identify the reporting entity.	1
16(1)(b)	Describe the reporting entity's structure, operations and supply chains.	8–9
16(1)(c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	10–19
16(1)(d)	Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	20–26
16(1)(e)	Describe how the reporting entity assesses the effectiveness of these actions.	27–28
16(1)(f)	Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	29
16(1)(g)	Any other information that the reporting entity, or the entity giving the statement, considers relevant.	2–6,29



AS Colour recognises that with approximately 9 million people entering into slavery each year, the efforts to tackle such a complex issue will require continuous improvement, collaboration and collective responsibility to bring it to an end.

We continue to explore and evaluate better ways of working and seek out global partners who can help us create greater leverage to create positive change within the fashion industry.

We are pleased to publish the AS Colour Australia 2023 Modern Slavery Statement and commit to continuing to monitor and publicly report on our progress.

ascolour.