

R.M. Williams Proprietary Ltd (ACN 007 527 166) (Company)

CIRCULAR RESOLUTION – Modern Slavery Statement FY 2021

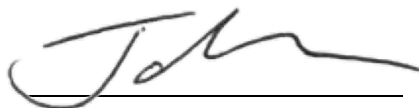
Purpose of Circular Resolution	<ul style="list-style-type: none">Review the R.M. Williams Modern Slavery Statement for the period 1 July 2020 to 30 June 2021 (Statement).Approve the content of the Statement as it applies to the Company.
Background and Detail	<p>All Australian entities with at least A\$100 million annual consolidated revenue must comply with the <i>Modern Slavery Act 2018 (Cth)</i> (Act). The Company's consolidated revenue for the 2020/2021 financial year exceeded A\$100 million so it is therefore required to submit a modern slavery statement.</p> <p>The Statement is a joint statement covering the activities of the Company and also RMW Holdco Pty Ltd and RMW Bidco Pty Ltd from 1 July 2020 to 30 June 2021 as well as forward looking commitments to improve practices over FY22.</p> <p>The deadline for submitting the Statement is 31 December 2021. Following submission, the Statement will be published on the Commonwealth Government's Modern Slavery Register as well as on the R.M. Williams website.</p> <p>Management recommends the Company review the Statement and approve it to the extent applicable to it.</p>
Supporting Documents	Draft FY2021 R.M. Williams Modern Slavery Statement
Proposed Resolution	<p>In accordance with clause 63 of the constitution of the Company we, being all the directors of the Company, having reviewed the R.M. Williams Modern Slavery Statement FY 2021:</p> <ol style="list-style-type: none">approve the content of the Statement in the form attached to this resolution as it applies to the Company, noting the format and design may change prior to submission and publication; andauthorise any director of the Company to sign the Statement on behalf of the Company.



NICOLA MARGARET FORREST

22/12/2021

Date



JOHN JOSEPH HARTMAN

23/12/2021

Date



JANE ELIZABETH MCNALLY

23/12/2021

Date



STEPHEN PATRICK DALY

22/12/2021

Date



MICHELLE CASEY HEPWORTH

23/12/2021

Date



MODERN SLAVERY STATEMENT

For The Financial Year Ending 30 June 2021

R. M. WILLIAMS

EST. 1932. AUSTRALIA

INTRODUCTION

This joint statement has been prepared in accordance with the Modern Slavery Act 2018 (Cth) (the Act) on behalf of the following entities in the R.M.Williams Group: RMW Holdco Pty Ltd, RMW Bidco Pty Ltd and R.M.Williams Pty Ltd, which are together referred to in this statement as R.M.Williams for the financial year ending 30 June 2021.

R.M.Williams is committed to reducing the risks of modern slavery in its business operations and supply chains, and managing incidents where they might occur. This commitment is important to R.M.Williams, as well as its stakeholders, customers and employees both in Australia and internationally.

We recognise that apparel is a high-risk industry and that many workers in our supply chain are vulnerable to forced labour, debt bondage and other forms of modern slavery. We know that it is our responsibility to do all we can to assess and address these risks, and to continually improve our approach. We believe that transparency is critical to this process which is why we provide details of all our official suppliers on our website. We also conduct due diligence on our suppliers, through questionnaires, site visits and audits – to help us to identify any incidents of modern slavery or related exploitation.

This statement is has been reviewed, approved and signed by a director of RMW Holdco Pty Ltd, RMW Bidco Pty Ltd, and R.M.Williams Pty Ltd pursuant to section 14(2)(e)(i) of the Modern Slavery Act. RMW Holdco Pty Ltd and RMW Bidco Pty Ltd are non operational holding companies.

Signed by



John Hartman

Director

Date: 14 July 2021

OUR STRUCTURE

R.M.Williams is a leading Australian manufacturer and retailer of footwear and fashion. The R.M.Williams Group (with RMW Holdco Pty Ltd as the Head Entity) was majority owned up until 16 October 2020 by L Catterton, a Singaporean Private Equity Fund and two other private investors. On 16 October 2020, Tattarang acquired 100% of the R.M.Williams Group from L Catterton. Tattarang is one of Australia's largest private investment groups owned by Andrew and Nicola Forrest.

Our corporate structure remains as described in our First Modern Slavery Statement. The main operating entity, R.M.Williams Pty Ltd, includes the following wholly owned Australian subsidiaries:

- R.M.Williams Publishing Pty Ltd which produces the Outback Magazine sold across Australia; and
- The Original Bushmen's Outfitters Pty Ltd which owns the land at Frost Road Salisbury (our primary manufacturing facility).

Along with these Australian subsidiaries, R.M.Williams Proprietary Ltd also wholly owns subsidiaries in New Zealand, United Kingdom, United States, and the Netherlands.

This statement has been prepared by R.M.Williams' centralised corporate function in consultation with senior leaders, staff and directors of R.M.Williams and the entities owned and controlled by R.M.Williams Proprietary Ltd.



OUR COMMITMENT

Not only does R.M. Williams have a legal responsibility to reduce the risks of modern slavery in our business operations and supply chains, and to manage incidents where they might occur, we are committed to protecting the rights of our people, our suppliers and our customers. This statement sets out the process by which we identify, mitigate and remediate modern slavery risks.

OUR VALUES

COURAGE & DETERMINATION

N.E.G.U. – we never, ever give up.

EMPOWERMENT

Go to your leader for advice, not permission.

ENTHUSIASM

Be the most positive person in the room.

FAMILY

Support each other, always be kind.

FRUGALITY

Think of ways we can do things better, faster, cheaper, safer.

GENERATING IDEAS

Always be on the lookout for breakthroughs.

HUMILITY

Be vulnerable, take risks to trust others.

INTEGRITY

Do what you say you're going to do.

SAFETY

Look out for your mates and yourself.

STRETCH TARGETS

Always be uncomfortable with your level of challenge.

A LETTER FROM OUR CEO

Behind every pair of boots are a pair of hands. This philosophy is fundamental to our heritage and craftsmanship. It is fundamental to how we are strengthening R.M.Williams' engagement with the issue of modern slavery.

It is people that make RM Williams' the success that it is. R.M.Williams' reaches beyond operations, to supply chains, to our customers, and our community.

In truth, behind every pair of boots are many pairs of hands. These hands are protected by fundamental human rights, including the right to live free from slavery.

Our challenge has been to operationalise more deeply what has been philosophically central to us.

To that end, this statement sets out the actions we have taken in this reporting period as well as our future commitments.

This reporting period, we have strengthened and implemented our modern slavery policy and action plan. Crucially, we have gained visibility over lower tiers of our supply chain and identified modern slavery risk beyond tier one. With that information in hand, we have undertaken due diligence on high-risk suppliers.

These steps are significant. Our capacity as a business to interrogate our supply chain and address risk where we find it has been well enhanced.

As proud as I am of what has been achieved, I acknowledge there is still work to be done.

At R.M.Williams we have a commitment to sourcing the world's finest leathers and premium materials. It is our resolve to apply the same rigour to ethical sourcing of those materials.

In the coming reporting periods, we will continue to develop and launch our ethical sourcing policy that addresses modern slavery. We will continue to develop our supplier management process to ensure that suppliers are adequately screened for modern slavery. Where necessary, we will undertake onsite audits and conduct further modern slavery due diligence.

This is our commitment to many, many pairs of hands.



Paul Grosmann
Chief Executive Officer



OUR BUSINESS

Born in the Australian outback, R.M. Williams has become one of the best-known – and best loved – heritage footwear brands in the world. Originally built for the men and women of the rugged, unforgiving Australian outback, our iconic one-piece-leather boots have gone on to grace the feet of millions of people worldwide. In addition to boots, we also make clothing, leather accessories (bags, belts and wallets) and footwear.






OUR OPERATIONS

The R.M. Williams business comprises of product research and development, manufacturing both within Australia and overseas, distribution, and marketing. Our subsidiary, R.M. Williams Publishing is responsible for the creation and distribution of the R.M. Williams bi-monthly magazine, R.M. Williams Outback. Our head office is based in Sydney, New South Wales, and our primary manufacturing facility is based in Salisbury, South Australia. Today we operate more than 70 stores in Australia and New Zealand, one store in the US located in New York, two stores in London and a Franchise shop in Copenhagen. In addition, R.M. Williams is available at more than 900 stockists around the globe and exports to 15

countries, comprising Germany, Italy, Switzerland, Sweden, France, Denmark, United Kingdom, United States, Canada, New Zealand, South Africa, Saudi Arabia, New Guinea, South Korea; and New Caledonia.

OUR PEOPLE

Our people are the foundation of our business. They are the face of R.M. Williams and fundamental to the success of our business. As such, we aim to create an environment where our people are supported and fulfilled within their role at R.M. Williams, whether that be in our workshop (manufacturing facility), retail, warehouse, corporate, publishing or distribution teams. Globally, we currently employ 874 people within our workshop, head office, distribution centres and retail stores. Our employee numbers are outlined in the table below.

		EMPLOYEE NUMBERS				
		 AU	 NZ	 UK	 US	 Total
DIVISION	Corporate	119		3	3	125
	Manufacturing	328				328
	Distribution centres	41				41
	Retail	343	16	8	3	370
	Publishing	10				10
	Total	841	16	11	6	874

OUR SUPPLY CHAINS

Our materials supply chain is comprised of 64 Tier 1 suppliers. Tier 1 of our supply chain was the priority of the previous reporting period and encompasses our 28 manufacturing vendors and all of our 36 primary material suppliers that we have a direct contractual relationship with including but not limited to: footwear leather, craft leather, footwear components, garment fabric, headwear, socks, external garments, packaging including boxes and swing tags, threads, adhesives, chemicals, craft items, garment zips, burrs and rivets, and fittings.

To demonstrate our ongoing commitment to instituting and increasing transparency across our operations and supply chains we have made the details of those Tier 1 suppliers publicly available on our website, including the supplier's names and addresses.

During this reporting period, our focus shifted to the second tier of our supply chains for our primary materials. We have now fully mapped our Tier 2 suppliers, which encompasses our suppliers of primary materials that we have engagement with through the involvement of an agent. Details of our Tier 2 suppliers are available upon request.

We have also used the reporting period to go wider and deeper in mapping our supply chain. In our First Statement we had focused on an assessment of our finished goods. We have now extensively reviewed our non-product-based supply chains, which extends to an assessment of suppliers that assist in our broader non-retail operations such as business services, computer and technical services, marketing services and advertising services. We are aware that these services are not without possible exposure to modern slavery, typically deeper within each supplier's individual supply chain. Most commonly, these more professional type services are assessed as having elevated modern slavery risk profiles due to industry wide reliance upon products, such as computers or tablets, that are known to be made with forced labour or are made with raw materials, such as cobalt, that are commonly extracted with child labour.



Our primary manufacturing facility is located in Salisbury, South Australia, and more than 65 per cent of all revenue is generated from this location. R.M. Williams has established relationships with several overseas manufacturing partners, including those in China, Vietnam, Madagascar, Portugal, Bangladesh and Pakistan. However, we are currently exploring ways to implement strategies to bolster our relationship with our suppliers directly and reduce agency involvement. We remain committed to expanding and nurturing our Australian manufacturing facilities and suppliers to adhere to our commitment to move towards 100 % of all R.M. Williams boots and leather goods – including all bags and wallets – to be exclusively made in Australia.

Where possible, we prioritise sourcing materials from local suppliers, however, due to the nature of the materials in our expanded range we increasingly source from 26 overseas countries, including Australia, Argentina, Bangladesh, Brazil, China, France, Germany, Hong Kong, India, Italy, Madagascar, Malaysia, Mauritius, Mexico, Morocco, New Zealand, Pakistan, Portugal, South Africa, Spain, Sri Lanka, Taiwan, Turkey, United Kingdom, United States and Vietnam. These materials include leather, woven and knitted fabrics, footwear components, clothing sundries along with packaging materials. Several of these source countries are generally considered to have be higher risk geographies in terms of the inherent risk for modern slavery.

We are conducting further due diligence on the suppliers that we work with. In particular, we are assessing the risks and actions required in relation to forced labour risks wherever they may arise in the world.

Our Manufacturing Sourcing Team is responsible for procuring finished items across the following categories:

- Clothing i.e., shirts, bottoms, knits, outerwear and headwear;
- Footwear i.e., boots and casual footwear; and
- Craft Items i.e., belts, bags and wallets.

Our day-to-day operations also extends to the operation of numerous retail stores throughout Australia and offshore. Several of these stores are located within major retail shopping centres. We are aware of the modern slavery risks arising from the retail aspect of our operations, particularly as it relates to the cleaning services required. We will be undertaking further due diligence on our cleaning suppliers throughout the next reporting period.

OUR PARTNERS



NETHERLANDS

Atex

USA

Horween Leater Company

MEXICO

Befamex SA De CV t/as Alfamex
Suelas Wyny, S.A. DE C.V

PORTUGAL

Fiorima SA
5D Unipessoal LDA
Atlanta-Components para calçado,Lda
Macap ii - Comercio E Industria, S.A
RXM Shoes
FLAJ- Calçados, Lda
Gnomes & Leite LDA
Soprefa

SPAIN

Domingo Molina S.A
Sanitopies, S.L
Hormal Fabrica De Hormas SL

BRAZIL

Curtume CBR S.A / Koro
Curtume Bannach LTDA



SUPLIERS
(RAW MATERIALS)



VENDORS
MANUFACTURED

GERMANY

Josef Heinen GMGH + Co Ltd

PAKISTAN

US Apparel
Nishat Mills Limited

CHINA

Lever Trend Garments
Lever / Chizhou Hongyun Clothing Co.,Ltd
Lever / Beyond Garments Co., Ltd.
JX / Ningbo MengDi Knitting Co Ltd
Venus / Dongguan Hangtong Knitwear Co. Ltd.
Win Trade Garment Industries Co. Ltd.
Win Spark Trading Company
Mountcastle / Zhangjigang Huaxia Headgear

TURKEY

OTTO Leather and Fur

ITALY

Concerria Ausonia S.R.L
Conceria Corradi SRL
Gruppo Mastrotto Italia
Sciarada Industria Conceria S.p.A
Conceria Dingo srl
Conceria Lloys SPA
Stilitalia International SRL / 1895srl
Candiani S.p.A
Bossa T.A.S.

INDIA

Amip Tannery
KKSK International Tanning Co. Pty Ltd
Good Leather Company
Flamingo SSI

TAIWAN

Ivan Leathercraft Co. Pty Ltd

VIETNAM

Domex
Far Eastern

SRI LANKA

Mountcastle / Statesman Hats

BANGLADESH

Picard
Austan Ltd

MADAGASCAR

Cottonline SA / Socota

SOUTH AFRICA

Cape Karoo International

AUSTRALIA

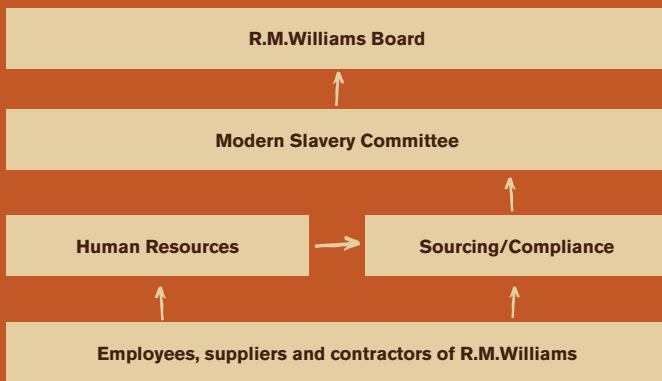
R.M.Williams
Akubra
Humphrey Law & Co. Pty.Ltd.
Sphinx Australia
ABMT Apparel
Vince Clothing Pty. Ltd.
Packer Leather Pty. Ltd.
Wax Converters Textiles Pty Ltd
Bruck Textiles Pty. Ltd

NEW ZEALAND

The Tasman Tanning
Company Limited

OUR GOVERNANCE

Modern slavery concerns continue to be at the forefront of all of our governance decisions. Our overarching governance model for modern slavery issues has not changed significantly since the first reporting period.



The Board of Directors hold ultimate oversight of R.M. Williams’ risk management, which includes modern slavery.

It is the responsibility of all employees, contractors and suppliers working for, or on behalf of, R.M. Williams to identify, prevent and remediate modern slavery risks. Internally, the Human Resources Team and the Procurement and Compliance Team are responsible for implementing modern slavery risk management into existing business processes and systems and ensuring that all relevant policies and procedures are adhered to.

Our Modern Slavery Committee is responsible for discussing modern slavery risks, incidents and responses, and has been responsible for establishing and implementing our Modern Slavery Framework and will monitor our progress over subsequent reporting periods. The Committee was established by the GM of Supply Chain and Corporate Social Responsibility who has engaged external subject matter experts to provide advice as we further develop internal stakeholders to sit on this Committee. The Committee has continued to keep the R.M. Williams Board updated as required. The Board of Directors has enabled and facilitated various actions to address the risks of modern slavery in our operations and supply chains.

Our legal team continues to be responsible for ensuring our modern slavery related policies and contracts reflect our commitments to combating modern slavery and are compliant with our legal obligations.

OUR POLICIES & SUPPLIER ARRANGEMENTS

Key policies and legal frameworks that were described in our First Statement remain operational across all aspects of our business. These include:

Anti-Slavery Policy.

Our commitment to reducing the risks of modern slavery in our business operations and supply chains, and to managing incidents where they might occur, is outlined within our Anti- Slavery Policy.

Supplier Agreements.

Our Supplier Agreement stipulates the terms and conditions required to be a supplier and was updated during the reporting period to include contractual provisions relating to modern slavery.

Supplier Code of Conduct.

Our Code sets out our performance and behavioural expectations for our suppliers and, similarly, was updated during the reporting period to include modern slavery considerations.

Whistleblower Policy.

Our Whistleblower policy encourages employees, contractors, suppliers and customers to raise concerns of suspected unethical, illegal or fraudulent conduct. The policy provides protection for whistleblowers so they feel safe to disclose any malpractice, misconduct.

Anti-harassment and Bullying Policy.

The Anti-harassment and Bullying Policy ensures all staff are treated and treat other with dignity and respect, free from harassment and bullying. It helps foster an environment in which our staff are comfortable to say something, if they see something.

Code of Conduct.

Our Code of Conduct provides advice and guidance on how our employees, contractors, consultants, and board members should conduct business, ethically, and in accordance with all applicable laws, regulations and policies.

All policies are available to employees via the internal R.M.Williams' portal.



OUR MODERN SLAVERY RISKS

No specific instances of modern slavery were identified in our operations, investments or supply chains over the reporting period. However, we do not consider this lack of detection to be any kind of an end in itself. Rather, we recognise that modern slavery occurs in every country and almost every global supply chain.

Further, as we frankly acknowledged in our First Statement, as a company operating within the garment and footwear industry, we are inherently at a higher risk of causing, contributing or being linked to modern slavery. Typically, the garment and footwear supply chain is characterised by low skilled, low paid labour, short lead times and intensive, dispersed production, therefore exposing the industry to labour and human rights risks. However, the likelihood and severity of these risks and potential

adverse impacts varies considerably based on the country of production, the regulatory environment and socio-economic factors.

Building upon insights we gained during the first reporting period, to continue the process of identifying and assessing the potential risks of modern slavery in our operations and supply chain, we have focused on two key areas in our due diligence response during the current reporting period. We have sought to develop our frameworks for engaging with our suppliers in a more rigorous manner, through establishing onboarding processes, social auditing frameworks and vendor and product compliance programs. We have also sought to broaden the scope of our influence, by partnering with working groups and increasing our industry collaboration.



RISK IDENTIFICATION AND ASSESSMENT

OUR METHODOLOGY

We engaged external subject matter experts to undertake proprietary risk assessment processes to further identify the elevated areas of modern slavery risk in our supply chains.

The risk assessment framework for identifying potential modern slavery risks deeper within our supply chain evaluates the complex interactions between the following factors:

- a. Total supplier spend amount (i.e. the value of our direct supplier contracts);
- b. Industry category, including industries that, in turn, feed into particular categories further down the supply chain;
- c. Geographical area of operation; and
- d. Depth of tiering within the supply chain(s)- e.g., 3rd tier supplier, 5th tier supplier, etc.

Incorporating company spend data throughout global markets, our external consultants utilised proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of the supply chain of R.M.Williams' suppliers by spend².

The multi-faceted approach to modern slavery risk assessment has included examination and analysis of the following:

- a. The individual suppliers, investments and industries with the most elevated risk of modern slavery;
- b. Supply chain and investment plots to provide a visual representation of the supply chain and investment supply chains for R.M.Williams' top 3 first tier industries;
- c. Plotting the relative slavery risk in the supply chain and investment by tier, up to tier 10;
- d. Geographical depiction of the cumulative risk of modern slavery across the supply chain and investments around the world; and
- e. An overview of the classification of the first tier of our supply chain and investments by country and industry, including relative modern slavery risk.

We are pleased to report that no actual or suspected instances of modern slavery were identified in either our operations or supply chains during the reporting period.

The following industry categories have been identified as having an elevated risk of modern slavery:

- Textiles & Apparel (including footwear) in Bangladesh and Madagascar and India,
- Ready-made clothes & other services in Vietnam



KEY RISK	DESCRIPTION OF RISK AND RESPON
Textiles & Apparel in Bangladesh & Madagascar	<p>As we identified in our First Statement, the textile and apparel industry is a well-established as a modern slavery hot spot, particularly when garment manufacturing is occurring in high risk geographies where the use of forced and child labour is common and government responses have had limited impact or minimal involvement attempting in reducing the prevalence of modern slavery. The presence of modern slavery is not isolated to the manufacturing stage, with well documented evidence of forced labour pervading right down to farming and collection of raw materials such as cotton.</p> <p>In response to this modern slavery risk, we have developed comprehensive supplier engagement program which includes the engagement of external social auditors to undertake due diligence and auditing on our textile and apparel manufactures in high risk countries.</p>
Ready-made clothes & other services in Vietnam	<p>Vietnam is one of the largest producers of garments within Asia. There is a reported reliance upon internal migrants within the clothing manufacture industry, who have sought to escape rural subsistence farming or unemployment and have fallen victim to deceptive recruitment practices and forced labour and continually subject to coercion through threats of loss of employment.</p> <p>In response we have committed to improving the traceability of our supply chain including the engagement of external social auditors and improving the direct relationship we have with manufacturing vendors in high risk countries.</p>
Apparel products in India	<p>India has long been assessed as having a high prevalence of modern slavery, with an estimated 6.1 victims for every 1,000 of the population with approximately 8 million people in conditions of modern slavery. This geographic risk, combined with the manufacturing focus of the leather goods industry, which has a low barrier to entry for vulnerable workers, has led to this elevated risk.</p> <p>This is compounded by a reliance upon the livestock and agricultural industry, typically at tier 2 or 3 of the supply chain. These agricultural based industries are recognised as being some of the most hazardous and unregulated industries, where forced labour and debt bondage are commonplace. There is risk of instances of workers trapped in remote farming areas and are unreasonably indebted to their employer for accommodation and food.</p> <p>To address these risks, we are continuing to engage with our suppliers in India through both the performance of external social auditing and ensuring that through our onboarding process the mitigation of modern slavery risks are addressed.</p>
Leather Tanneries	<p>We are aware of the modern slavery risks posed by leather tanneries. This industry is heavily reliant upon migrants who may be more vulnerable to exploitative practices than local employees due to deceptive recruitment practices which can lead to debt bondage; their immigration status; a lack of familiarity with the language, their rights and local laws; discrimination; and families that rely on them to send wages home, increasing pressure to stay. These risk factors are also compounded by the health risks posed by the use of hazardous chemicals to process hides.</p> <p>To address these risks, we have engaged in consultation with the Leather Working group and Traceability and Transparency Working Group. We are working directly with one of our Tanneries to undertake a specific tracing project for our crust leather goods.</p>
Forced labour risks in Xinjiang	<p>Human rights abuses allegedly experienced by Uyghur and other minority groups in the Xinjiang Autonomous Uyghur Region (XUAR) have been widely documented. R.M.Williams understands that there is compelling evidence that state-backed forced labour is used in factories in XUAR. The goods produced in these factories reach global supply chains and have been connected to more than 80 well-known global brands in the apparel, technology, automotive, and solar sectors.</p> <p>R.M.Williams is aware of the Coalition to End Forced Labour in the Uyghur Region, which has over 90 organisations and which represents a united commitment by leading human rights organisations and trade unions to the welfare of the Uyghurs and other ethnic minorities in the region.</p> <p>The Coalition called on apparel and textile brands to end business relationships in XUAR given the grave nature of the alleged violations and the lack of any credible means to verify that forced labour wasn't used by suppliers or sub-suppliers.</p> <p>R.M.Williams agrees, that businesses reporting for the Australian Modern Slavery Act should pay close attention to suppliers in the Xinjiang region. R.M.Williams is aware of the linkage between cotton and alleged forced Uyghur labour schemes. In response we have begun comprehensive tracing on our cotton supply chains and have not become aware of any cotton products being sourced from XUAR. As we have undertaken tracing of our cotton products and consulted with experts undertaking our external audits it is abundantly apparent that carrying out supply chain audits in the region are extremely difficult.</p>

We note that these identified risks, by virtue of the reliance to high-risk industries or locations, are most elevated at Tier 1 and 2 of our supply chains. R.M.Williams is concerned by this proximity to modern slavery, which is why we have sought to strengthen and improve our supplier engagement frameworks during the current reporting period, as a key element of our due diligence efforts. We are serious about achieving deep transparency and visibility over our Tier 1 and 2 suppliers, so that we can work with our suppliers in high-risk industry to use our influence to impact real change.

Whilst our overall modern slavery risk profile is categorised as elevated, due to the nexus with well-established modern slavery hot spots, this modern slavery risk profile for our suppliers (direct and indirect) has not changed significantly since the time of providing the relevant descriptions in our First Statement. This is because our product lines, retail presence and suppliers have all remained stable, with no material changes in these key areas.

²This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:

- The United Nations' (UN) System of National Accounts;
- UN COMTRADE databases;
- Eurostat databases;
- The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
- Numerous National Agencies including the Australian Bureau of Statistics.

The MRIO is then examined against the following international standards:

- The UN Guiding Principles on Business and Human Rights;
- The Global Slavery Index;
- International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
- The United States' Reports on International Child Labour and Forced Labour.

A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for R.M. Williams' suppliers and direct investments.

R.M. Williams
5 PERCY ST
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OUR RESPONSE

SUPPLIER ENGAGEMENT AND DUE DILIGENCE

Two significant priority areas for our modern slavery response during the reporting period has been in relation to **supplier re-onboarding** and **supply chain review processes**. As an organisation, R.M.Williams recognises that partnering with our suppliers at multiple tiers of our supply chain is a key element of achieving real impact in relation to modern slavery.

We have developed a comprehensive supply chain review process for our suppliers as a means of ensuring we have genuine oversight over their operations, before engaging in a long-term relationship with them. The process is as follows:

- At the first instance, a vendor must be subject to an initial review.
- A vendor is then subject to our onboarding program, described below.
- Once onboarded, a vendor will be subject to a comprehensive audit by our external partner. The details of this social audit program are detailed below.
- Following the audit, R.M.Williams will meet with our vendor, and then following this meeting, we will provide the vendor with the scorecard of the audit.
- If the vendor has met our expectations, then we will engage a supplier partnership.

We currently in the process of implementing this review system in relation to the following groups of suppliers:

- Our leather suppliers
- Our apparel suppliers
- Our footwear suppliers
- Our leather goods suppliers
- Our accessories suppliers
- Our non-leather raw materials suppliers
- Our packaging suppliers
- Our Australian suppliers

At the date of preparing this Statement, we are currently in the stage of onboarding our suppliers and will shortly commence auditing these suppliers during the next reporting period.

R.M.Williams is committed to bringing our suppliers along with us on our anti-slavery journey and we are seeking to build deeper relationships with our direct and nominated suppliers in order to maximise our impact.

SOCIAL AUDITS; VENDOR AND PRODUCT COMPLIANCE PROGRAM

During the reporting period, we have partnered with internationally recognised auditors to undertake social audits on our suppliers. All 64 of our Tier 1 suppliers, including both our manufacturing vendors and raw material suppliers have been subject to either a desktop-based or on-site audit. In relation to our tanneries, R.M.Williams has reviewed audit reports and certifications from the Leather Working Group and note that there are no reported red flags or instances of modern slavery with our Tier 1 suppliers.

In tandem with our auditing partner, we have also developed a vendor and product compliance program as part of our broader strategy to increase transparency over our supply chains and operations.

The first element of our program is targeting our tanneries and production sites and undertaking a more tailored and comprehensive audit of the suppliers in this sector. Our partner will undertake onsite social audits of the existing factories and tanneries and establish if any of our suppliers are not operating at an acceptable standard. The audit will include factory tours, documents reviews and interviews with supplier employees. If any of our suppliers are flagged through this process, then R.M. Williams will issue the supplier with a corrective action plan as a first resort, with follow up audits to monitor the progress of a supplier.

We prioritise working with a supplier to remedy issues, rather than terminating our supplier relationship – which may generate further vulnerabilities for any supplier employees that are victims of modern slavery. We are planning to facilitate audits of our suppliers in high-risk locations and our flagship supplier in Salisbury, Adelaide as a first priority in the next reporting period to provide insights into where R.M. Williams needs to focus our efforts for future reporting periods.

We intend for the second component of the vendor and product compliance program to focus on our raw materials and finished products. Our external audit partner will undertake a pre-shipment inspection of the materials and products, which will inform a critical vendor analysis to identify which vendors we need to work with.

The final element of our compliance program is focused on providing our vendors with learning modules and engaging directly between R.M. Williams and our vendors through deploying our own teams to engage in factory inspections. This training module is focused upon assisting vendors in understanding the level of transparency required and setting out R.M. Williams' expectations in relation to modern slavery.

R.M. Williams hopes that this program will assist us in understanding further where the risks of modern slavery are occurring with each of our suppliers, to assist us in tailoring a response that actively mitigates against modern slavery.

SUPPLIER ONBOARDING

R.M. Williams has introduced a comprehensive onboarding process for our new vendors that engages at both a corporate and factory level. This onboarding process will also be mandatory for all existing suppliers.

As part of our implemented processes relating to onboarding, registration and capability assessment, suppliers are required to disclose the following information to help us determine their appetite and awareness of engaging with modern slavery issues:

- If the vendor has policies prohibiting forced labour
- If the vendor has policies expressly disavowing child labour
- Whether the vendor has a remediation policy
- If the vendor is compliant with other human rights related concerns, such as providing freedom of association with unions, maintaining safe work sites, providing wages at an industry standard and ensuring that working hours are in accordance with local laws.
- Determining whether the vendor is agreeable to complying with R.M. Williams code of conduct, to the extent that they would publish the Code on their factory floors
- Details of any social initiatives that the vendor participates in.
- Information about any sub-contractors the vendor utilised, including contact details of the sub-contractor.

We also request that our individual supplier factories provide us with a registration and capability assessment, which provides us with the following additional information:

- The workforce composition, including the number of migrant workers, non-local workers and non-English speaking employees.
- The formal accreditations or certifications of the factory

We also assess the willingness of our suppliers to be subject to third party factory audits.

We hope that by engaging in a comprehensive information exchange at the infancy stages of a relationship with a Vendor, R.M.Williams can make informed assessments about the longevity of the supplier relationship and steer our engagement from the outset.

During the next reporting period we will be assessing the responses received from our vendors as the basis for determining future supplier partnerships.

WORKING GROUPS & INDUSTRY COLLABORATION³

R.M.Williams has partnered with the **Leather Working Group** and is now a publicly listed member.

The **Leather Working Group** is a collaborative not-for-profit industry group that works to improve the sustainability of the global leather industry through supply chain audit. Within the Leather Working Group, we have engaged with the traceability and transparency working group, which is in the process of establishing the foundation for traceable material within the leather goods industry through:

- gaining insights into the understanding of traceability cross-nationally;
- establishing industry priorities and effective solutions to facilitate industry development
- working to improve the traceability of products within supply chains, with a focus on auditing as a mechanism to improve visibility.

In addition to this broader industry collaboration, we have also specifically partnered with one of our New Zealand based suppliers, Tasman Tanneries, to embark on a project to improve the traceability of our R.M. William's crust leather goods. Together with Tasman Tanneries, we are in the process of working towards providing the first fully traceable leather products in the southern hemisphere, from farm to finished product. We are seeking to be industry leaders in pushing the boundaries and normalising deeper supply chain visibility.

Since completing the acquisition of R.M.Williams, members of R.M.Williams executive and governance team have also worked with Tattarang's odern slavery working group which includes member of Minderoo Foundation's Walk Free Initiative. The commitment to holistically addressing modern slavery that is common throughout all entities within the Tattarang Group will be pursued with equal determination for the ongoing operations of this iconic Australian brand.

We are also exploring the possibility of joining and participating in other collaborative industry groups in future reporting periods. We are seeking to achieve maximum impact through selective and strategic alignment.

³ R.M.Williams undertook these measures in relation to working groups and industry collaboration in the period between 30 June 2021 and lodgement of this statement.



MONITORING OUR PROGRESS

Our 100% acquisition by the Tattarang Group on 16 October 2020, will ensure that R.M. Williams demonstrates the same level of commitment in addressing modern slavery issues as the rest of the Group. This commitment has been, and remains, a major operational priority of our return to full Australian ownership.

An important measure for transparency in our overall modern slavery response is ensuring that there is continuity between reporting periods. This involves providing detailed information on those areas where

we have been able to effectively implement key performance indicators, and those where this has not yet been achieved.

The following is a snapshot of the focus areas we identified our First Statement for this reporting period and a brief summary of the progress that we have made. These Initiatives are primarily drawn from the Table in the 'Measuring Effectiveness' table at the conclusion of our First Statement, and also a number of commitments we discussed throughout that Statement.

AREA OF FOCUS	IMPROVEMENT INITIATIVE	PLANNED ACTION FOR THIS REPORTING PERIOD (FY21)	PROGRESS
Governance	Strengthen and implement modern slavery policies	Finalise and implement the R.M.Williams Anti-Slavery Policy Draft an Ethical Sourcing Program Draft a Modern Slavery Action Plan, outlining key actions, responsibilities and targets, to meet the commitments made in this statement	Completed. Our Anti-Slavery Policy Has been Implemented. Our Modern Slavery Action Plan has been drafted. We are still in the process of drafting our ethical sourcing program. We have sought assistance from external subject matter experts to aid this process during FY22.
Risk Assessment	Conduct deeper due diligence on high-risk suppliers	Conduct an annual risk assessment that considers industry risk, in addition to country risk. As part of the ethical sourcing program: <ul style="list-style-type: none"> Establish a risk screening mechanism to identify high risk vendors during onboarding Review SAQs and verify responses for all high-risk / high-spend suppliers 	We have also internally developed a comprehensive onboarding and supply chain review process, which is in the process of implementation. We have developed bespoke supplier self-assessment questionnaires that will address key areas such as depth of supply chain visibility, policy and governance frameworks, training programs, supplier screening & engagement, due diligence action and remedial processes. In FY22, we plan to issue these surveys and review further SAQ's.
	Due Diligence focus on suppliers in higher risk source countries	"Several of these source countries are generally considered to have a higher inherent risk for modern slavery. We are conducting further due diligence on the suppliers that we work with. In particular, we are assessing the risks and actions required in relation to forced labour risks wherever they may arise in the world, including the Xinjiang Uyghur Autonomous Region."	In progress. We have identified this as a focus area in FY22. We continue to closely monitor information relating to Xinjiang and associated supplier linkages and are developing comprehensive supplier review & due diligence review processes as part of our onboarding framework. We intend to facilitate further and more comprehensive audits of our suppliers in high-risk geographies in FY22.

	Getting beyond Tier 1 suppliers	<p>“We appreciate that, at this point in time, the scope of our risk assessment only covers Tier 1 of our supply chain and therefore does not consider the risks across the full length of our supply chain. As such, we are committed to increasing transparency across our supply chain and by mapping our supply chain to tier 2 and beyond. This will ultimately allow us to take a more risk based approach to due diligence and prioritise those sourcing areas and production processes where adverse impacts are most severe.”</p>	<p>Completed.</p> <p>Our Tier 2 supplier list has been compiled and is available upon request.</p>
Risk Management	Enhance supplier management processes	<p>Research new supplier management systems for adoption.</p> <p>Increase our visibility of incidents by ensuring key high-risk suppliers have access to effective grievance mechanisms and encourage them to report all incidents to us</p>	<p>In progress.</p> <p>External consultants are assisting us with the development and implementation of supplier review systems, including improved focus on incident visibility.</p>
		<p>“Recognising that our ability to influence is dependent on the amount of business we do with them, we have prioritised our activities on ‘major suppliers’ where we have an annual spend of \$100,000 and above. Based on spend and country risk, we identified five higher risk suppliers located in 5 countries, China, India, Madagascar, North Vietnam, and South Vietnam.”</p>	<p>In progress.</p> <p>Focus area for next reporting period, including developing further risk management review strategies for our major spend and high-risk geography suppliers.</p>
		<p>“To assess ongoing compliance with both the Agreement and the Code, all suppliers that fall into the major supplier category are required to be audited on an annual, biennial or triennial basis.”</p>	<p>In progress.</p> <p>We have implemented a requirement these suppliers to consent to auditing in our onboarding program. Due to the ongoing COVID-19 pandemic we have not undertaken any audits.</p> <p>We have engaged a specialist social auditing consultant for FY22.</p>
Training & Collaboration	Improving our networking and industry collaboration	<p>Develop a tailored Modern Slavery Training Program for our people to increase their understanding and awareness of modern slavery risks</p>	<p>Completed.</p> <p>Our modern slavery training has been developed and rolled out to all staff.</p> <p>In FY22 we are looking to further develop more tailored training that specifically addresses R.M.Williams risk areas.</p>



MEASURING THE EFFECTIVENESS OF OUR RESPONSE

In order to maintain a strong due diligence system and ensure that modern slavery risks are being identified, managed and remedied, we regularly assess the effectiveness of our systems and processes. Consistent with our approach for the first and second reporting periods, the following processes remain in place to continue to monitor, review and assess the effectiveness of our actions in upcoming reporting periods.

- Regularly reviewing our risk assessment processes, especially when commencing operations in a new country or region or when engaging a new supplier;
- Facilitating regular engagement and feedback between key areas of the business via the Modern Slavery Committee;
- Engaging an independent, International Auditing Company to conduct internal audits on our processes to address modern slavery risks;
- Tracking the actions taken and measuring their impact, for instance the percentage of staff that have received modern slavery training; the percentage of suppliers that have been vetted;
- Reviewing any modern slavery issues that have been reported to either the Sourcing or Compliance Teams and review how those issues were handled.

Our Focus Areas and Improvement Initiatives for FY22 as reflected in our First Statement remain unchanged and have also been updated to reflect additional goals and priority areas arising from the current reporting period.

R.M.Williams is deeply committed to a continuous improvement approach and we intend to publish further action areas during the reporting period, as part of our broader corporate social responsibility intentions and strategy.



		ACTIONS
AREA OF FOCUS	IMPROVEMENT INITIATIVE	FY22
Governance	Strengthen and implement modern slavery policies	<ul style="list-style-type: none"> Review and identify areas for further improvement in our policies and contracts Finalise the ethical sourcing program and roadmap Assign responsibilities to an individual / function to track and follow the progress against the Ethical Sourcing Program Finalise the Modern Slavery Action Plan and begin rolling it out across the business Draft an Ethical Sourcing Roadmap, outlining how ethical sourcing will be implemented throughout its business operations and supply chain
Risk Assessment	Conduct deeper due diligence on high-risk suppliers	<ul style="list-style-type: none"> Identify priority actions for high risk/ high spend suppliers to implement and continue to develop relationships Implement the risk based, due diligence process and screening mechanism within the procurement process Roll out audit program across 10% of our suppliers As part of the ethical sourcing program: Draft a risk-based, due diligence process Develop a risk, based audit program Engage with five high risk suppliers and conduct audits to verify SAQ results Undertake specific due diligence and risk assessment in relation to our supplier operating with the cleaning industry. Issue the bespoke SAQ's developed in FY21 to capture our supplier's understanding of their own supply chain, their internal governance approach to modern slavery and the existence of grievance measures and supplier engagement. We will assess all responses.
Risk Management	Enhance supplier management processes	<ul style="list-style-type: none"> Roll out supplier management system Ensure suppliers require their suppliers to have an effective grievance mechanism Develop and rollout modern slavery and human rights training to major suppliers where and when required
Training & Collaboration	Improving our networking and industry collaboration	<ul style="list-style-type: none"> Join an industry body, or similar, to improve our modern slavery strategy Deliver a tailored Modern Slavery Training Program for those responsible for implementing modern slavery controls, i.e. our Procurement and Compliance Team and Our Human Resources Team Develop and implement quiz to test knowledge on module Identify opportunities for industry collaboration to improve our modern slavery program



CONSULTATION WITH OTHER ENTITIES

This statement has been prepared by R.M.Williams' centralised corporate function in consultation with senior leaders, staff and directors of R.M.Williams and the entities owned and controlled by R.M.Williams. The centralised corporate function has ensured that R.M.Williams operational controlled entities have been involved in all of the activities undertaken by R.M.Williams to identify, address and mitigate modern slavery risk within their operations and supply chains.

R. M. WILLIAMS
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