

COUNTRY ROAD GROUP

COUNTRYROAD MIMCO POLITIX TRENER Y WITCHERY



FY20

Modern Slavery Statement

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Executive Summary

This statement is published by **Country Road Group Pty Ltd** on behalf of all wholly owned subsidiaries and its parent company Woolworths International (Australia) Pty Ltd (Country Road Group).

This statement is a joint statement which includes the reporting entities listed in [Appendix 1](#).

As these entities use the same policies and processes, operate in the same sector and share many of the same suppliers, this modern slavery statement provides a single, consolidated description of their actions to assess and address modern slavery risks.

Country Road Group comprises five of the most iconic fashion brands in Australia (Country Road, MIMCO, POLITIX, Trenergy and Witchery). Built on trust, quality and the inspiring stories of our heritage, Country Road Group strives to be a responsible business, including by respecting human rights.

Country Road Group is committed to upholding the highest social, ethical and environmental standards in its supply chains, and to empowering marginalised artisans. Country Road Group is a signatory to the UN Global Compact and as such, is committed to operating in ways that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

Country Road Group welcomed the introduction of the *Modern Slavery Act 2018* (Cth) (**MSA**) in Australia, and acknowledges that as the owner of some of Australia's best-loved fashion brands, Country Road Group can play a leading role in supporting the United Nations Sustainable Development Goals 8.7¹ by taking effective measures to prevent forced labour and ultimately end modern slavery.

The MSA is world leading in further setting concrete obligations around modern slavery reporting and establishing expectations regarding modern slavery risk management. Further, Country Road Group recognises that our compliance with the requirements of the MSA is only the first step towards significant change.

The challenge of combatting modern slavery requires a collective approach across businesses, industries and governments to take

meaningful action. Country Road Group is particularly encouraged that governments in many countries worldwide are updating and adopting legislation focused on further protection of the most vulnerable people and the eradication of modern slavery. We also understand our role and responsibilities in these efforts; accordingly, we have set expectations relevant to our operations and supply chains regarding the prevention of modern slavery.

Country Road Group takes a collaborative approach to tackling human rights and modern slavery by engaging, listening and educating. We do this across a wide range of stakeholder groups including suppliers, staff, peers, non-government organisations (NGOs) and multi-stakeholder initiatives.

Globally, businesses are all exposed to risks of modern slavery, and as we make inroads in addressing modern slavery, we are aware that those seeking to exploit individuals for the purposes of modern slavery may also become more sophisticated. We are therefore committed to adapting our processes and procedures to continuously find ways to improve our prevention and response to modern slavery risks.

This is our first modern slavery statement under any global legislation. This statement has been developed by our ethical sourcing and legal teams, with input from a cross-functional team including representatives of our risk, procurement, sustainability and human resource teams. In compliance with the MSA, this statement is a culmination of actions taken to assess and address modern slavery risks during the 2020 financial year from July 1, 2019 to June 30, 2020.

In preparing this statement, Country Road Group has consulted with the relevant leadership and office holders of the entities listed in [Appendix 1](#), who have agreed on the actions taken against modern slavery as set out in this statement.

In the 2020 financial year, Country Road Group focused on assessing the risks of modern slavery across our operations and supply chain. We engaged internationally recognised, independent data driven business risk and sustainability solutions provider, ELEVATE, to conduct a risk assessment as well as a segmentation of these risks to enable us to effectively prioritise our areas of focus.

Like all businesses, Country Road Group faced challenges in the second half of the financial year as the effects of COVID-19 forced us to pause some of our planned actions on modern slavery, which are included in this statement. However, we have made significant progress on assessing and addressing modern slavery risks so far and we continue to develop and enhance our approach to this critical global issue.

¹ United Nations Sustainable Development Goal 8.7 – “Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms” <https://www.un.org/sustainabledevelopment/economic-growth/>

Significant milestones achieved in FY20

Modern slavery cross-functional team brought into effect

Completed a third-party human rights and modern slavery risk assessment covering:

- Supply chain (apparel, accessories, homewares)
- Non-trade procurement
- Operations, policies and protocols

Signed the Turkmenistan Cotton Pledge against forced labour in the cotton sector

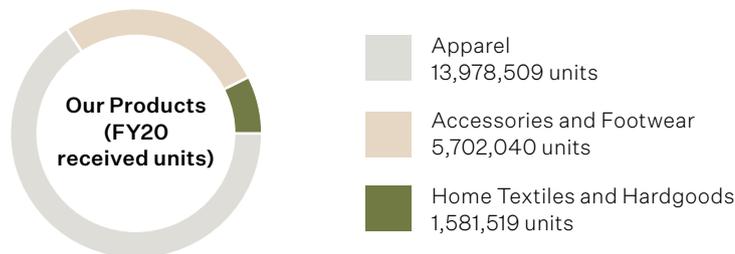
The board of directors of Country Road Group Pty Ltd, Country Road Clothing Pty Ltd, Witchery Australia Holdings Pty Ltd, Witchery Holdings Pty Ltd, Witchery Fashions Pty Ltd, Mimco Pty Ltd and Woolworths International (Australia) Pty Ltd have formally acknowledged and approved this statement and its contents on 30th March 2021.

Matthew Fitzgerald
Director and Company Secretary



Country Road Group's Structure, Operations & Supply Chains

As our business and the globalisation of international trade has evolved, so too have our supply chains. Country Road Group does not directly manufacture products. We rely on and partner with extensive product supply chains to manufacture and supply our products, which include apparel, accessories and homewares, as well as provide goods and services in our non-trade procurement categories.



Bringing this range of products to market can be complex, with many inputs required from direct and sub-suppliers; from factories, fabric mills, trim manufacturers and dyehouses to fibre and material producers and even farmers located locally and overseas.

Our Structure

Country Road Group Pty Ltd is an Australian company (ACN 006 759 182) operating in the apparel, accessories and homewares fashion retail sector. Country Road Group is headquartered in Melbourne, Victoria.

As noted above, Country Road Group comprises five customer-facing brands operated by the following wholly owned subsidiaries of Country Road Group Pty Ltd:

- Country Road Clothing Pty Ltd (ACN 005 419 447) – trading as COUNTRY ROAD and TRENERY
- Witchery Fashions Pty Ltd (ACN 006 897 230) – trading as WITCHERY

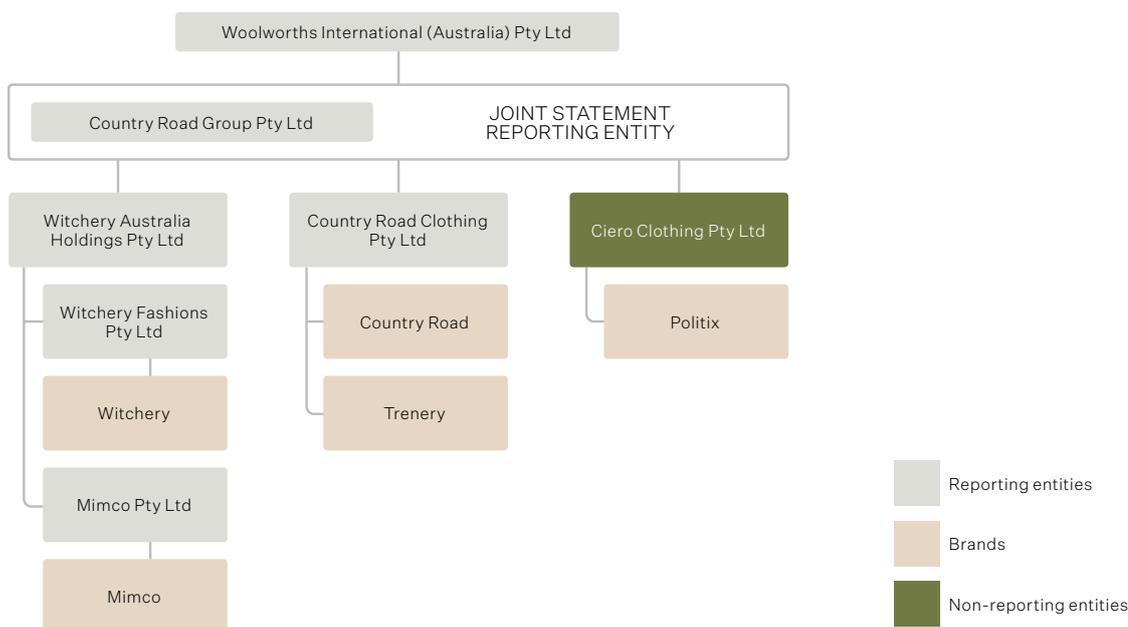
- MIMCO Pty Ltd (ACN 067 573 291) – trading as MIMCO
- Cicero Clothing Pty Ltd (ACN 614 757 327) – trading as POLITIX

Other non-customer-facing subsidiaries of Country Road Group are involved in operations such as warehousing, logistics and property.

Across Australia and New Zealand, Country Road Group collectively employs over 5,600 team members across our retail store network, omni-fulfilment centre and head office.

Country Road Group's ultimate parent company is Woolworths Holdings Limited, a South African business listed on the JSE.

Simplified Visualisation of Corporate Structure



For clarity, David Jones Pty Ltd (David Jones) and its associated entities, which are also subsidiaries of Woolworths Holdings Limited (WHL), will report separately via their own modern slavery statement. There is a degree of similarity between the modern slavery statements of Country Road Group and David Jones due to the centralised actions and processes undertaken by both businesses, largely via a shared head office in Melbourne, Victoria.

Our Operations

Across its five brands, Country Road Group operates over 500 retail and concession stores in Australia, New Zealand and South Africa. Our head office located in Melbourne, Victoria is the hub for our merchandise, online, design, technical and production teams, as well as the shared services team members who provide support to both Country Road Group and David Jones such as our IT, sourcing, supply chain and logistics departments.

Country Road Group employs a mix of full-time, part-time and casual team members across our retail stores, head office and warehouse. All Country Road

Group employees are covered by either an Enterprise Bargaining Agreement, relevant Award or Individual Employment Contract, depending on their position and work location.

We have one owned and controlled omni fulfilment centre in Australia located in the western suburbs of Melbourne, which services both our online and retail network.

Country Road Group does not directly manufacture goods, but its operations range from creating initial design concepts through to warehousing and selling products instore and online.



Our Manufacturing Supply Chain – An Overview From Farm to Factory

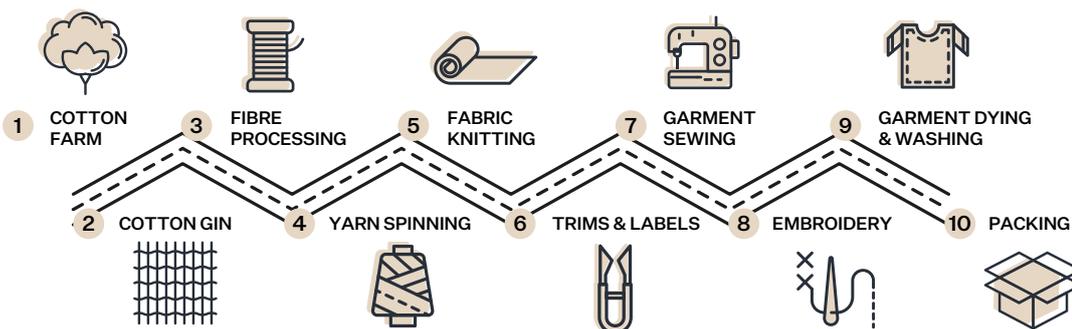
Depending on the product type, each product supply chain can be different in both the number of supply chain actors involved in the manufacturing of the item, and the timing of when these suppliers are involved in the process.

Some product supply chains are short, where others can be much longer and more complex.

In line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), we understand that we may cause, contribute or be directly linked to modern slavery and broader human rights risks and have assessed that our risks of greater involvement are likely to be more significant in our product supply chains. As such, in this reporting period we have prioritised greater emphasis on work in assessing and addressing modern slavery risks in our supply chain which is described within this statement.

In this reporting period Country Road Group had trading relationships with **202 direct suppliers of goods for sale**. These suppliers may own the finished goods factory that makes our products, or they may sub-contract to factories approved by Country Road Group to complete the final production. As part of our supplier agreements, every direct supplier must provide information about each owned or sub-contracted factory used to manufacture finished goods for our brands.

Each factory used to manufacture products for Country Road Group brands must be included in our approved factory program (AFP) where they undergo human rights due diligence. The total number of factories that manufactured Country Road Group finished goods in this reporting period was **304**.



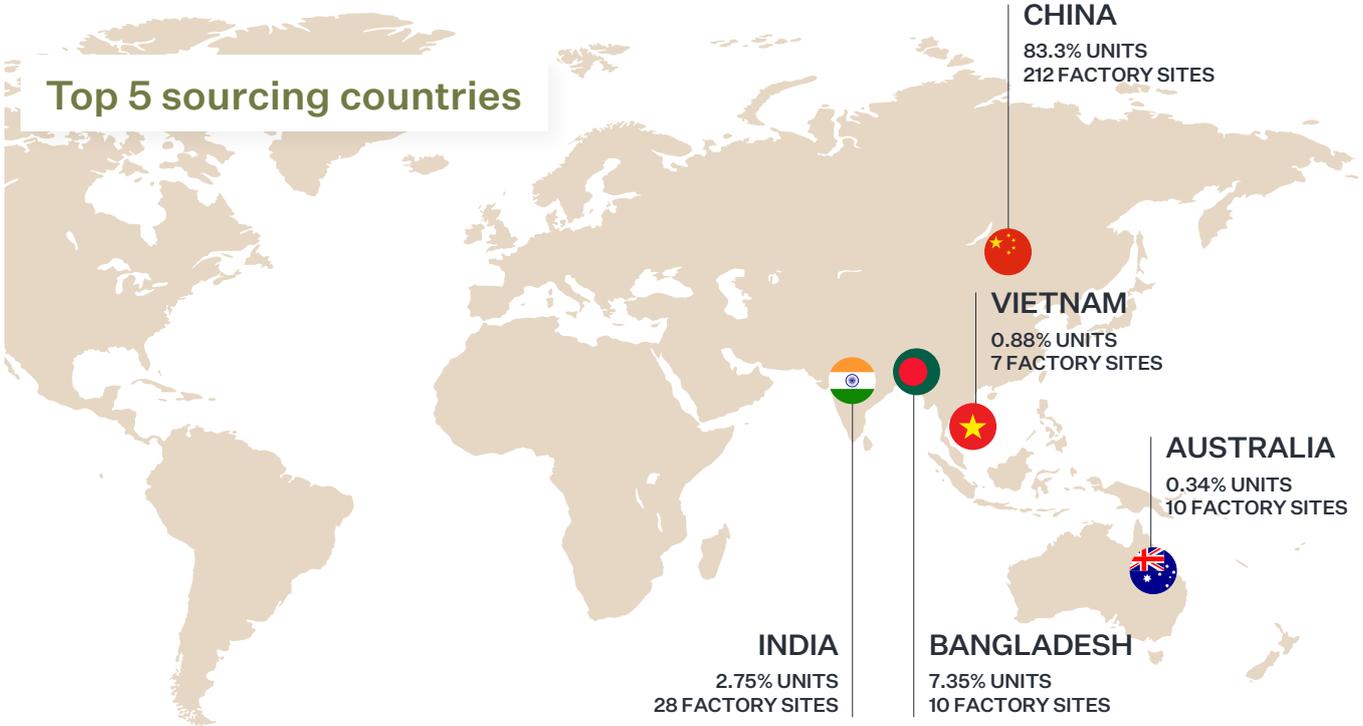
An example of a cotton T-shirt supply chain

Our Supply Chain Footprint

Due to the range of products Country Road Group designs and develops, we engage with suppliers and factories from many countries around the world to manufacture our specialty products. During the reporting period, Country Road Group directly sourced goods for sale from 21 countries, with our concentration of sourcing locations listed on the following map.

Country Road Group is committed to improving transparency of our operations and supply chains, and our factory list detailing end production of our goods is available on our Country Road Group [corporate website](#).

Total geographical footprint across 21 countries



Countries	Factories (T1)	Direct Suppliers
21 countries	304 factories	202 suppliers
Country	Factories (Tier 1)	% of units
China	212	83.3%
Bangladesh	10	7.35%
India	28	2.75%
Australia	10	0.34%
Vietnam	7	0.88%
Others	37	5.38%

We see transparency as a critical part of the expectation under the UNGPs that we are aware of, and respect, human rights. As we seek greater transparency deeper into our supply chain, we understand the importance of setting a best-practice path for our supply chain partners.

Due to the extensive range of products we procure and sell, our brands are linked to many raw material sources and nuanced supply chains around the world. Our aim is to trace all sub-suppliers involved in the manufacturing of our products to continue to assess and address human rights.

Non-Trade Procurement

Our non-trade procurement (NTP) team supports the broader business in managing contracts for suppliers who provide goods and services to support the operations of our head office and stores. We do not on-sell these goods and services, which may include office supplies, contractors, ITC equipment, marketing materials, cleaning services, packaging, instore fixtures and logistics.

COUNTRY ROAD

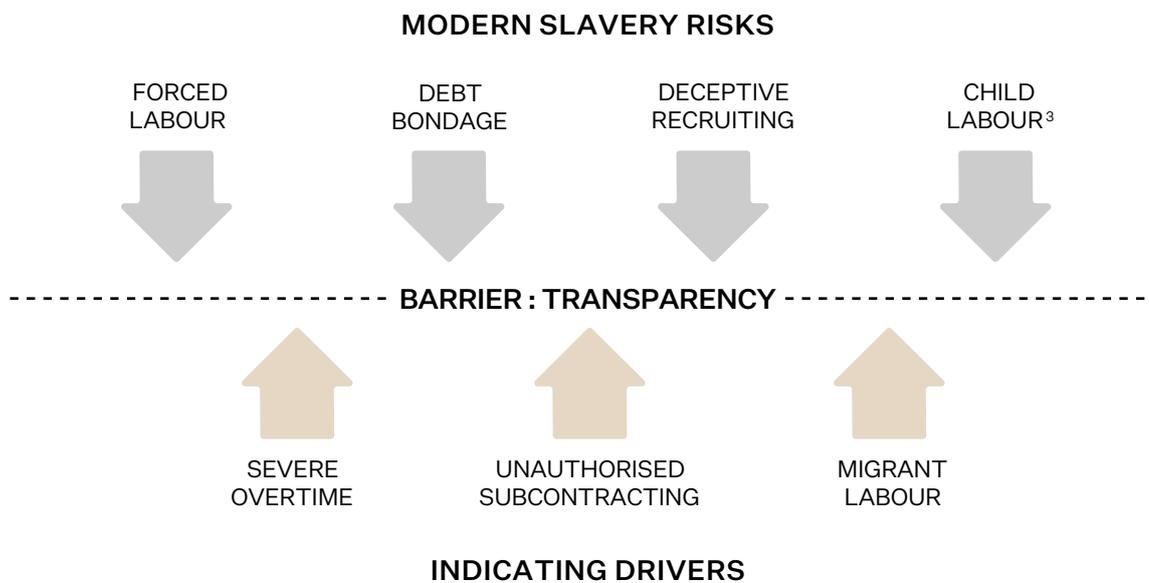
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Modern Slavery Risks in Country Road Group's Supply Chains & Operations

Modern Slavery Risks

In 2019, during this reporting period, we enhanced methods of identifying and assessing our risks by drawing on expertise from internationally recognised, industry leader in sustainability and supply chain services globally, ELEVATE, to support us in undertaking a gap analysis and risk assessment of broader human rights and modern slavery risks across our operations and supply chains. Further information about this risk assessment is detailed in this statement.

Country Road Group has identified the modern slavery risks that may occur in our operations or supply chains as:



These risks have been identified based on the likelihood of prevalence using geographical, industry and product data connecting our operating locations and the exposure of our supply chains to these risks.

To identify modern slavery and broader human rights issues, there is often a barrier to transparency due to suppliers and their supply chains being deep and complex in nature. Using our risk assessment, we are able to take more targeted actions based on these

specific risks and understand the indicators that may lead to modern slavery-like practises by examining the prevalence of these risks against our due diligence activity and taking further action to investigate, collaborate and mitigate these risks.

In order to validate these findings and narrow our focus on specific risks, more detailed analysis is undertaken via a range of methods, including policy reviews, audits, grievance channels and worker surveys.

Understanding Modern Slavery

Modern slavery is a systemic global issue that sits at the most extreme end of labour exploitation. It can occur in any country or industry. It is estimated that globally, there are over 40 million men, women and children who are victims of modern slavery², with an estimated 15,000 victims of modern slavery in Australia.

We recognise that the risks of modern slavery exist in the operations and supply chains of all businesses, including our own.

Often, modern slavery does not occur in isolation and is more likely to be connected to other breaches of local and international law regarding decent work and other fundamental human rights. Addressing modern slavery must not stand alone in our commitment

to operating our business responsibly, and so we integrate our assessments, actions and responses to modern slavery within our broader ethical sourcing and human rights program across both our operations and our supply chain activities.

We recognise our responsibility to respect human rights in all our business activities and relationships under the UNGPs.

We recognise and apply the Australian government's definition of modern slavery, including the eight types of slavery practices included in the MSA. Each of these types of modern slavery have clear legal definitions in Australian and international law and are explained in further detail in [Appendix 2](#).

²International Labour Office (ILO) and Walk Free Foundation 2017, Methodology of the global estimates of modern slavery: Forced labour and forced marriage, ILO. Available from: http://www.ilo.org/global/topics/forced-labour/publications/WCMS_586127/lang-en/index.htm. [7 February 2018].

³Modern Slavery Act 2018 (Cth) defines one of the types of modern slavery as, the worst forms of child labour, however we have noted here that the Act's definition is less prevalent than general child labour risks

Modern Slavery Risks In Our Supply Chains

For the goods that we sell, Country Road Group sources apparel, accessories and homewares from a range of countries across the globe that each have their own unique modern slavery risks. In line with our commitment to the UNGPs, we assess where we may cause, contribute or be directly linked to modern slavery or broader human rights issues. As we predominately source our products from countries across south and east Asia, we understand that our supply chains operate in an environment that has been identified as having a higher risk of potential labour-related issues that can involve, or lead to, modern slavery.

Modern slavery risks can be found throughout the supply chain, from sewing, washing and fabric processing sites to the cultivation, harvesting and collection of raw materials. Further down the value chain, as supply chains become more opaque, these risks heighten as subcontracting and the use of informal labour increases, and state and government protection for these workers reduces.

As an example, modern slavery risks indicated from our recent risk assessment could occur in:

Garment and product manufacturing

A factory may use unauthorised subcontracting and forced labour to produce goods

Processing stages

Deceptive recruitment may be used to hire migrant workers involved in the processing of materials

Raw materials

Child labour may be used in the cultivation and harvesting of raw materials

We take measures to prevent these risks occurring in our supply chains; these measures include the risk assessment completed during this reporting period and our due diligence processes, which are further described in this statement.

Non-Trade Procurement Risks

In our supply chain, due to the breadth of industry categories we source NTP products from, our risk assessment viewed risks at a macro level.

The most prevailing risks associated in our NTP supply chain can be summarised into three categories below:

Risks In Our Operations

While we consider the greatest risk of modern slavery to lie in supply chains associated with our retail trade – that is, clothing, textile, footwear, accessories and homewares manufacturing or non-trade procurement – we do acknowledge that our entities and operations not directly related to the manufacture of our goods are not exempt from the risks of modern slavery.

Facilities management,

which includes cleaning services, maintenance and repair, and security services where these areas are labour intensive and subcontracting is commonly used.

In Australia, migrant workers are more likely to constitute a greater percentage of the relevant workforce, where exploitation can occur.

Recruitment and temporary labour is used in both our operations and non-trade procurement areas, where recruitment agencies may be used.

Lack of transparency of the labour arrangement when using indirect recruitment methods can lead to an increased risk.

Shipping, freight and logistics sectors straddle both the shipping of goods from international sources to our warehouses, as well as the distribution from warehouse to stores and customers. This can rely on contract workers and temporary labour, which has been known to have higher risks of modern slavery.



Assessing & Addressing Risks of Modern Slavery

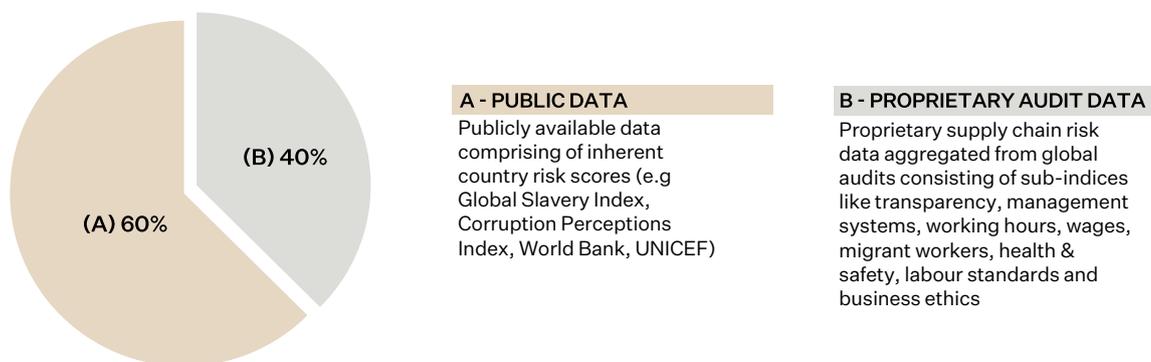
Modern slavery can be challenging to find, and we use a risk-based approach to identifying inherent and changing risks in our supply chains and operations to prevent occurrences. We identify, assess and manage modern slavery and broader human rights risks in an agile and adaptive manner through our human resources, legal, risk and ethical sourcing teams where we deploy agreements, policies and procedures in addition to “on the ground” assessments that we conduct both directly and utilising third parties to prevent and mitigate these risks.

Risk Assessment

Engaging with our expert partners ELEVATE, in 2019 we undertook a detailed modern slavery risk assessment which reviewed our policies and procedures across our operations and supply chains, assessed a macro-industry view on our non-trade procurement supply chain, and took a deep dive to identify the prevailing risks for our suppliers and their factory sites where our goods are manufactured.

The risk indices used in this assessment were a combination of weighted public and proprietary indices, which were applied to each supplier and factory site to provide their risk rating.

Risk Calculation



The weighted risk algorithm used in our risk assessment blends risk indices described above from (A) and (B) into scorecards and aggregated analytics, generating risk profiles for countries, provinces and sectors based on the data combinations and organises them into four risk categories: Extreme, High, Medium and Low.

Further in this statement we describe how we use the above risk calculations and apply them to our supplier segmentation to prioritise our efforts in addressing modern slavery risks in our supply chain.

Due Diligence

We understand that on a global scale our supply chain operates in an environment with a higher risk of potential labour-related issues due to geographical and industry risks. This is why our due diligence program is used for ongoing monitoring and management, to seek to identify, prevent and mitigate any violations of human rights, including forms of modern slavery.

We take a number of actions in our due diligence processes to identify and assess any actual or potential human rights impacts in our business and through our suppliers. Our human rights approach, which includes preventing and addressing modern slavery, is based on and aligned to the concept of human rights due diligence in the UNGPs, and includes:

1. Identifying and assessing actual and potential human rights risks (i.e. in our supply chain through third-party factory site audits)
2. Acting on these findings by collaborating to remedy issues (i.e. corrective action plans based on audit non-compliance findings)
3. Tracking and continuously monitoring results and progress (i.e. SEDEX (Supplier Ethical Data Exchange) online monitoring tool and risk reports)
4. Communicating our actions (i.e. WHL sustainability report, industry reports and via our websites, as well as moving forward through this statement).

Our AFP is our due diligence process that enables us to conduct ongoing assessment of the factory sites in our supply chains that produce our goods, where all suppliers providing goods for sale must have their Tier 1 factory sites audited both prior to working with us, and within AFP cycles to assess actual and potential risks.

The AFP involves suppliers being assessed against nine key pillars of our Supplier Code of Labour Practice, which is aligned to the ETI Base Code. Assessments are carried out through a range of methods including self-assessment questionnaires and third-party independent audits that identify and assess actual and potential human rights risks.

The nine pillars assessed are summarised as follows:

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Living wages are paid
6. Working hours are not excessive
7. No discrimination is practiced
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed

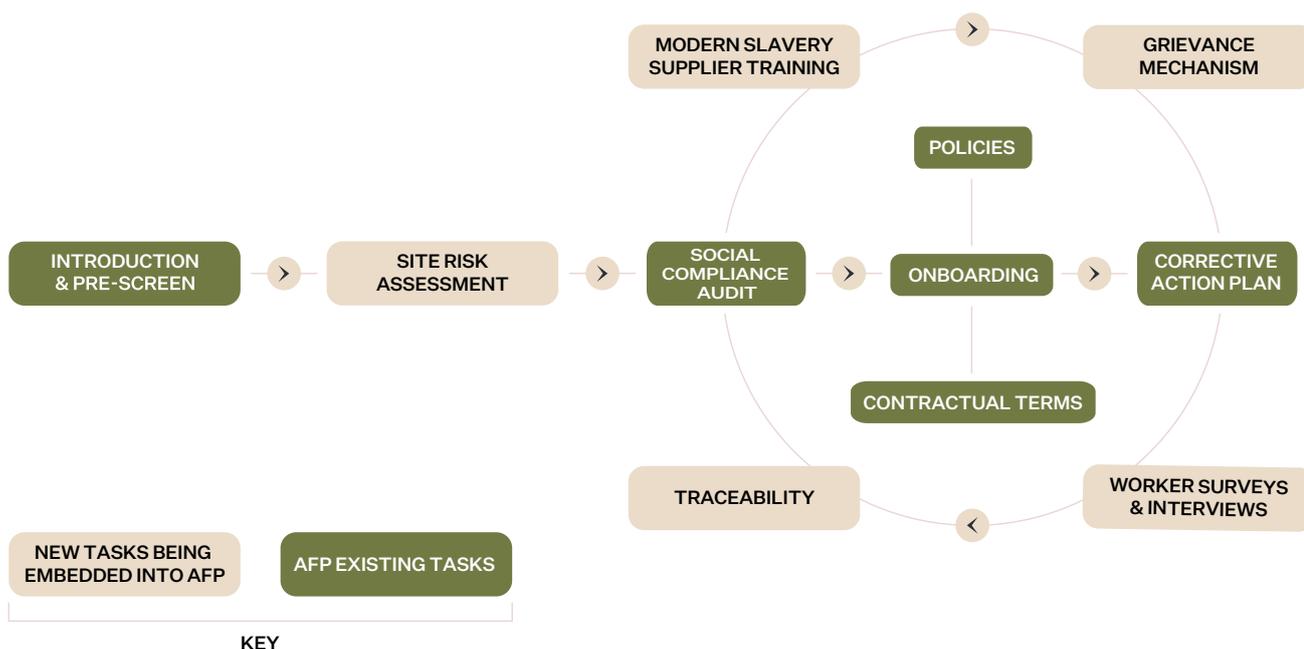
Through these audits, factories are assessed against modern slavery issues as well as workplace indicators that may lead to modern slavery, providing our business and the suppliers' factories with clear corrective action plans to improve, close and verify non-compliance issues.

These assessments are administrated and monitored by our ethical sourcing team, and findings from these assessments are recorded and reported on in both ad-hoc and regular reporting processes.

The most critical issues, where immediate interventions are required, are escalated to relevant stakeholders and our executive level for awareness, consultation and approval of actions to remediate issues, which may include termination of supplier relationships where required.



Approved Factory Program Monitoring and Corrective Action Process



Summary of Approved Factory Program (AFP) Audits in FY20

Audits completed	97
CAP rectification	Total critical non-compliances 4
Issue areas	Benefits and insurance, overtime and safety issues relating to machinery

There were no instances of modern slavery found in audits conducted in the reporting period ending June 30, 2020.

We continue to explore processes and systems to strengthen our controls as part of our initial onboarding and continuous monitoring of our suppliers and their factories.

Risk Assessment – Supply Chain

During this reporting period, we took the approach to enhance our due diligence and assessment methods of supply chain risks. This approach was aligned across the Country Road Group and David Jones businesses.

In our supply chain risk assessment undertaken by ELEVATE in this reporting period and completed in January 2020, we have taken two analytical approaches to assessing the risks of modern slavery across our Tier 1 goods-for-sale supply chain.

1. Relative site risks based on geographical, industry and product risks
2. Adjusting these risk calculations by factoring in our due diligence actions already in place to provide a more accurate assessment of the risks.

In this risk assessment, we assessed 100% of Tier 1 factories within our supply chain and based on the risk assessment completed, no supplier factory sites were categorised as extreme risk.

The conclusions drawn from this risk assessment can be summarised as follows:

- In our supply chains, there are potential high risks of modern slavery due to the geographical and industry risks associated with the products manufactured for our brands
- High risks of modern slavery are prevalent in the cultivation and harvesting of raw materials that may be used in our goods
- High risks of broader human rights impacts exist due to industry ethics, a lack of transparency and the prevalence of subcontracting.

Table B, below, provides an overview of the top five countries from which we source our finished goods. Using the risk indices from the assessment completed by ELEVATE, each of these countries is classified as high risk.

Supplier factory site concentration (90% of total factories used in FY20)

CRG sourcing country by spend	Factory site exposure
China	221
Bangladesh	14
India	28
Thailand	3
Vietnam	7

These risks exist throughout all layers of the supply chain.

As we identify further actors in our supply chain and increase our traceability of the inputs and labour sources that process our products, we will continue to assess and address associated risks and take the appropriate actions to remedy these.

In FY20 we added 18 suppliers and 26 factories to our product supply chain. These supply chain actors have not been included in our overall risk assessment listed above but have been assessed using our risk metrics, and we have completed due diligence on these risks through our AFP.

Detailed Risk - Cotton

Identified in our parent company's corporate sustainability report WHL Good Business Journey Report, ethical sourcing is considered a key risk in our supply chain, including for the manufacturers that make our finished goods and in the production and processing of raw materials.

Each raw material has its own risk, whether it be an environmental and/or labour-related risk. Globally, cotton is one of these material risks, with long-established labour rights and slavery issues inherently occurring in the farming and cultivation of cotton over many centuries.

In our supply chain, cotton is the most widely used raw material and we continue to source cotton from more sustainable and ethically aligned programs, including our partnership with the Better Cotton Initiative (BCI), Global Organic Textile Standard (GOTS) and our increasing support of Australian cotton.

Well-known risks or allegations of forced labour and child labour exist in the cotton-growing regions of Uzbekistan, Turkmenistan, India and more recently highlighted in reports of the Xinjiang Uyghur Autonomous Region (XUAR) in China.

Country Road Group opposes the use of any form of modern slavery or forced labour, and we have signed pledges against forced labour in the cotton sector in both Uzbekistan⁴ and Turkmenistan⁵.

Forced Labour in the XUAR

There continues to be growing documentation of the reported human rights abuses against Uyghur and other ethnic minority groups particularly in the XUAR of China.

Whilst Country Road Group has no direct relationships with suppliers or factories in this region, we acknowledge the reports and publicly documented investigations, and we continue to trace and monitor our supply chain to assess modern slavery and broader human rights risks.

Whenever we need to better understand concerns relating to a particular location or type of good or service, we build on our existing human rights framework and modern slavery risk management activities to understand the local context and related risks. This includes:

- Monitoring information from international experts in human rights and social compliance auditing to identify risks to auditors in the region
- Consulting with human rights experts on how to address potential human rights risks
- Requesting information from key bodies including the United Nations and government agencies
- Collaborating with international retail brands to share learnings and actions specific to the XUAR
- Taking guidance from international organisations
- Engaging with multi-stakeholder initiatives. For example, Country Road Group partners with a multi-stakeholder initiative called Better Cotton Initiative (BCI), which aims to transform the cotton sector making it better for the people and the planet. In 2020, BCI suspended the licensing of cotton grown in the XUAR and no longer operates in the XUAR due to the ongoing risks associated with that region.

⁴<https://www.sourcingnetwork.org/uzbek-cotton-pledge>

⁵<https://www.sourcingnetwork.org/turkmen-cotton-pledge>



Traceability

For this reporting period we have focused on assessing our Tier 1 supply chain, where we have 100% visibility of all approved sites used in the final production of our products for sale.

Using our risk assessment, we have a clear understanding of where our geographical and product risks are inherently higher. Layering this with our due diligence auditing procedures within our AFP, we have found no evidence of instances of modern slavery.

We continue to trace back through our supply chain to establish greater visibility of the actors involved in the growing, processing and manufacturing of our goods using various layers of information to provide added assurance. We have made progress in our key commodity areas such as cotton, and will continue to expand and evolve our approach in future years.

Both voluntary and certified documentation from various third-party standards are used to trace the input of fibres and materials between factory sites used to manufacture components of our products.

In specific instances we engage with a forensic science organisation, Oritain, to provide isotopic and trace element diagnostic analyses to verify the origin of our fibres to known sources.

These added layers of assurance protect our products and raw materials against being subcontracted or substituted through the supply chain, and also help us identify our scope of impact, thus reducing the risk of modern slavery.

Leverage and Long-Term Relationships

Preventing, mitigating and remediating human rights risks in the supply chain can be challenging.

If any issue appears in our supply chain, our priority is to collaborate with the supplier and factory to understand the issue, assess the urgency of the issue and remediate accordingly. In line with the UNGPs we seek to increase our leverage where we can to influence more responsible behaviour, including by our suppliers.

We consider leverage being one or a combination of the following:

- Spend value (including rising/falling spend)
- Years of relationship
- Type of relationship (agent, trading company, direct supplier)⁶.

As a business, we aim to have open, collaborative and functional working relationships with our suppliers that move beyond a buying and selling model. By using leverage, we can play a strategic and influential role in ensuring respect for human rights in our supply chain.

Depending on the nature of the issue, if a confirmed case of modern slavery was to occur in our supply chain, we would aim to exercise this leverage to work with the supplier to support the affected parties to provide access to appropriate remedy, and to educate the supplier on the issue to prevent future cases.

We have contractual controls in place to terminate a supplier relationship if necessary.

Our most transparent and proactive partners are currently piloting key projects to support our actions against modern slavery, which we will report on in future statements.

⁶ An Agent works on behalf of the buyer (Country Road Group) and the factory and agent relationship operate in tandem. A Trading Company is a direct relationship with the trading company and does not own any factories that produce goods. A Direct Supplier owns or controls a factory that manufactures our goods. The relationship where Country Road Group has the most oversight and leverage is a Direct Supplier relationship.

Case Study – Unauthorised Subcontracting

In 2019, Country Road Group contracted a new supplier located in China to make socks. This supplier engaged in and completed all steps throughout the onboarding phase within our AFP.

We assessed two factory social compliance audit reports to review working conditions and undertook technical factory audits to ensure the processes in the factories were able to support our agreed level of quality. One factory was approved for use and the other was not.

During production we were informed that the inspection of goods would take place in the factory that was not approved via our AFP.

We identified there was a knowledge gap from the supplier about the importance of using only approved subcontractors, as their other customers had never monitored their use of factories.

Our approach was to educate the supplier on why we needed our products made in our selected and approved

factories, ensuring we had oversight of the factories' operations and we were upholding our due diligence with respect to human rights. We engaged in open dialogue to educate the supplier on the risks associated with unauthorised subcontracting and their breaches of our supplier agreement related to subcontracting.

The factory site has since been assessed via a third-party social compliance audit, and no critical issues or issues relating to modern slavery were found.

Through engaging in multiple conversations and using leverage of future orders, the supplier has since been able to understand and become more aware of the risks to their business and their people. They have since implemented production at approved factory sites in line with our AFP.

We continue to monitor and work with our suppliers to support their understanding of modern slavery risks.

Tailoring an Approach to Further Assess and Address Modern Slavery Risks

Integrating our actualised risk values with our leverage calculations, we can build a supplier matrix assessment to develop a more appropriate tailored approach to addressing modern slavery in a more segmented and effective way.

We have segmented our factories as shown in the **Supplier Segmentation Matrix**, developed by identifying our higher risk factories and mapping where we have greater leverage to enable action to address modern slavery risks.

Supplier Segmentation Matrix

This segmentation identifies groups of suppliers where we can develop actions to further assess and address modern slavery based on clear prioritisation of work for each segment, identifying where we have higher risk and more leverage to drive change.

We understand our responsibility to address human rights risks equally, and whilst this segmentation helps to prioritise our work we understand that action may be required even where we do not have leverage due to the nature of the risks.



Operations

Assessing the coverage of our policies and process mechanisms and the location of our operations, the assessment has classified the risk of modern slavery occurring in our operations as low.

We continue to address any potential modern slavery or broader human rights risks and avoid causing or contributing to these issues by reviewing and updating our policies and mechanisms to ensure we are respecting human rights in our operations.

Non-Trade Procurement

In our NTP supply chain, the risk assessment conducted looked at a macro view of products and services that we purchase and engage with through our NTP department. The risk assessment applied methodology to highlight prevailing modern slavery and broader human rights risks across our NTP categories.

These prevailing risk areas are identified earlier in this statement. We address and mitigate these risks via a number of approaches in our due diligence processes, codes and policies, and our contractual arrangements detailed further in this statement.

Using our risk assessment to highlight these prevailing risks, we will look to concentrate on addressing these particular risk areas in our NTP department and will provide updates on our progress in future reporting periods.

Country Road Group acknowledges other risks exist within our non-trade procurement areas such as ICT and electronics, and we will continue to consider these risks in line with the UNGPs.

Grievance Mechanisms, Whistleblowing and Ethics Hotline

Country Road Group has established internal and external grievance channels through which staff and workers in our supply chain have the opportunity to raise concerns.

Grievances relating to modern slavery or broader human rights risks such as the 'physical conditions of work' can be raised directly with our human resources team, as outlined in our Grievance and Dispute Resolution Policy.

To add to our efforts to protect vulnerable workers in our supply chain we believe that worker voice plays a critical part in effectively assessing and addressing modern slavery and broader human rights risks. We are in the process of developing a digital grievance mechanism pilot project through which workers in our supply chain have the ability to directly raise any concerns with Country Road Group. This digital mechanism aims to enable workers to use local language to communicate directly with our team to raise concerns anonymously.

We will report on the implementation of this pilot project in future reporting periods.

Utilising Pre-Existing Policies and Processes

Country Road Group has a number of policies and processes, dating from before the enactment of the MSA, which support the prevention of modern slavery.

Human Rights Framework

For many years, Country Road Group has had due diligence measures in place to respect human rights in our operations and supply chains.

In 2015, WHL's corporate social responsibility strategy, which we refer to as our Good Business Journey, was extended to its Australian subsidiaries including Country Road Group Pty Ltd and the entities listed in [Appendix 1](#).

Our Good Business Journey encompasses the international and domestic issues that matter most to our colleagues, customers, shareholders and other stakeholders.

This strategy consists of eight focus areas which underpin how we responsibly approach business in both our operations and supply chain to address material issues. This includes our actions in supplier due diligence, assessment of risks and the actions we take in respecting human rights across our business activities and the ethical sourcing of our products.

We report annually on our Good Business Journey including our ethical sourcing program, which works to protect and address human rights risks. This report is integrated into our annual reporting suite and can be found on our WHL corporate website: [2020 WHL Good Business Journey Report](#).

Codes and Policies

We have a clear set of codes and policies that our people and suppliers are required to adhere to in order to help us effectively manage our human rights risks in both our supply chains and our operations. We understand that the implementation of these policies should focus not only on the risks to the business, but on preventing and addressing risks to people.

The key documents relating to the prevention and remediation of modern slavery and broader human rights issues include:

Operations	Supply Chain
Employment contracts	Supplier Agreements
Code of Conduct	Supplier Code of Labour Practice
Workplace Behaviour and EEO Policy	Approved Factory Program
Grievance and Dispute Resolution Policy	Whistleblower Policy

These core documents are accessible to staff members and suppliers as applicable within either contracts or agreements, on our company intranet and in some cases, on our corporate or brand websites.

In our supply chain, Country Road Group's Supplier [Code of Labour Practice](#) sets clear expectations and detailed contractual arrangements. These requirements extend beyond our direct suppliers to sub-tiered suppliers, where these standards are expected to be promoted and managed.

The adoption of this Code is integrated into the local and international supplier agreements that all direct suppliers must sign prior to commencing as a supplier of goods for sale.

The Supplier Code of Labour Practice, and the Supplier Agreement, which prescribes adherence to the Code, prohibit the use of slavery-like practices including forced labour and the exploitation of child labour. It also outlines expectations to prevent discrimination, excessive working hours, unsafe working conditions or anti-unionisation measures that may lay the foundations for modern slavery to occur. Compliance with the Code and Supplier Agreement is monitored preventatively through independent third-party social compliance auditing against the framework of these Codes, where critical breaches of key issues are considered to be modern slavery indicators. Non-compliances identified in these audits result in a corrective plan being implemented, and are followed up to ensure all issues are rectified. Additional

information is found further in this statement and addressed in our Approved Factory Program.

Our contractual controls help Country Road Group prevent adverse human rights impacts by setting clear minimum requirements and creating responsible boundaries, within which our suppliers agree to operate.

Below is a summary of key contractual obligations, which include:

- Agreement to be governed by our Supplier Code of Labour Practice
- No unauthorised subcontracting is allowed
- All factory sites are required to be disclosed to Country Road Group and are required to undertake the social auditing procedures within our AFP
- All suppliers and sub-suppliers are bound by local law or [ETI Base Code](#) as per procedures carried out in the auditing process
- Zero tolerance clauses which deter use of forced labour and modern slavery-like practices.

There may be times when our expectations are not being met and we are committed to working with our supply chain partners to achieve change over time.

If a supplier is unwilling to remedy breaches, or has a zero-tolerance issue, Country Road Group has the right to terminate the trading arrangement if required.

Traceability Through Our Supply Chains

Country Road Group believes transparency is a critical part of our responsibility to respecting human rights and an important way we can work collaboratively as an industry.

Our ultimate aim is to have full traceability of the suppliers and sub-suppliers who provide inputs into our products. To do this, we take a multi-faceted approach to traceability, working both bottom-up with farmers and top-down through our suppliers.

1. We are pushing down through our suppliers to identify supply chain actors including sub-suppliers deeper within the supply chain
2. We are taking a bottom-up approach by making efforts to source direct key raw materials such as Australian merino wool and Australian cotton from known sources
3. We are collaborating with multi-stakeholder initiatives and key fibre certification bodies to provide assurance on the traceability of licensed and accredited materials, partnering with organisations such as Lenzing, Leather Working Group, Canopy and Textile Exchange
4. We are adding layers of assurance by using forensic technology company Oritain to test and assure the origin and provenance of our fibres are retained.

We continue to research innovative technologies to support in the mapping and management of the entire supply chain, and will report on this progress in future reporting periods.

Establishment of a Dedicated Team

Human rights responsibilities are managed at the highest level across our companies.

Governance Hierarchy



Our Modern Slavery Cross-Functional Team

In 2019 we brought together key stakeholders from across the business to draw on their expertise and insights. This cross-functional team consists of stakeholders involved in legal, ethical sourcing, risk, non-trade procurement, sourcing, sustainability, corporate communications and human resources.

This cross-functional team works to inform and support the human rights and modern slavery strategy with engagement and implementation across the business, and has provided key inputs in the development of this statement.

The team meets on a monthly basis to discuss current and emerging modern slavery and broader human rights risks. Updates are provided to senior executives including the CEO, Company Secretary, Executive Committee, General Counsel, Global Head of Sourcing and Group Chief Operating Officer.

We have open lines of communication to ensure human rights and modern slavery are at the forefront of our responsibility to everyone in our operations and supply chains.

Continual Monitoring and Adapting as Required

We continue to monitor risks regularly, adjusting and adapting our actions to assess and address any potential or actual adverse human rights impacts. We continuously seek advice and information from various resources including desktop research, media reports, industry experts, multi-stakeholder initiatives, non-government organisations, industry partners, peers and our suppliers, and are conscious of COVID-19 and the associated modern slavery risks heightened by the pandemic.

COVID-19

The COVID-19 crisis has presented many global challenges and accelerated the recognition that governments and businesses must do more to protect all people, including the most marginalised and vulnerable.

Both our operations and supply chains were impacted by various challenges as a result of the pandemic. Travel restrictions, border closures and social distancing have challenged suppliers and in turn, the workers involved in the manufacture of our goods offshore.

These restrictions slowed movement and output right throughout the supply chain. Raw materials suppliers, inputs suppliers, quality inspectors and even auditing firms were challenged with their ability to execute their normal activities.

As such, 10% of our factories were unable to renew and update their social compliance audits through the first six months of 2020. To adapt to this situation, we used virtual factory tours and engaged with industry experts to provide virtual audits where overseas travel was restricted.

We are working closely with these suppliers to monitor their risks by using COVID-related self-assessment questionnaires (SAQs) to increase our awareness of factory risks from the pandemic, and we will work to complete required audits as soon as possible.

Further, we faced closures of our stores nationally and internationally, which impacted our workforce. Measures were put in place to mitigate impacts to our teams where reasonably practicable. Our head office support centre in Melbourne was severely disrupted by ongoing localised government restrictions. In line with our COVID-safe plans and reduced head count provisions, alternative work practices were implemented within our fulfilment centre.

Activities targeted to be completed in our modern slavery action plan in this reporting period were disrupted as we immediately shifted our focus to navigating COVID-19 impacts across our business. The below activities have been postponed to FY21:

- Modern slavery training
- Supplier workshops
- Pilot of direct factory-level grievance mechanism.

Whilst we were not able to undertake these planned activities, more immediate actions were required to be prioritised to support our suppliers and factories to reduce the risks and impacts of COVID-19.

Actions taken included:

- Working with suppliers to manage delivery dates, allowing order extensions due to COVID-19 impacts without penalty
- Not enacting force majeure clauses or cancellation of orders that were in work or completed
- In some cases, paying deposits to suppliers for raw materials, trims or as required to financially support factories and reduce cascading impacts on workers
- Providing education and training materials in local language to suppliers to support workers' health and safety and their preparedness to combat COVID-19.

We are fortunate that the majority of our suppliers have been only marginally impacted overall and have been resilient throughout COVID-19 to date. Our suppliers and factories have completed many outreach programs to support their workers throughout COVID-19 and have managed to return to strong levels of production capacity. This resilience supports the employment and livelihoods of workers and reduces the risk of these workers being exposed to modern slavery risks.

We continue to work closely with our suppliers to monitor and manage the risks, impacts and ongoing effects of COVID-19.

Training, Capacity Building and Collaboration

Through our actions taken to address modern slavery, we look to build the capacity of our employees and suppliers via training, collaboration and supporting long-term relationships.

Soon after the MSA was passed, and prior to this reporting period, we hosted an education training workshop where leading international organisations, as well as representatives from the Australian government’s Modern Slavery Business Engagement Unit, provided awareness training to suppliers.

Further internal training and supplier workshops planned internationally in early 2020 were postponed due to COVID-19 impacts, however this training will be conducted virtually in the FY21 reporting period and reported on in future statements.

Actions in the reporting period include:

- Participated in the 2019 UN Annual Forum on Business and Human Rights in Geneva, Switzerland
- Participant member and signatory to the UN Global Compact Network Australia, as well as a sub-group member of the Modern Slavery Community of Practice (MSCoP)
- Attended learning seminars both in person or via digital mediums on modern slavery and broader human rights issues
- Continued consultation with peers and industry experts
- Continued NGO consultation on modern slavery and actions to identify and address modern slavery risks.

In 2015 we formed a working group with industry peers to collaborate and share knowledge in a pre-competitive setting to tackle material ethical issues such as modern slavery.

We believe the most sustainable way to drive improvement is to work collaboratively, including through initiatives such as the UN Global Compact, the SEDEX platform and the Ethical Trading Initiative (ETI) Base Code.

We engage with domestic and international organisations and multi-stakeholder initiatives to improve our actions in assessing and addressing modern slavery. Each of these organisations play an integral part in collaborating with us and our suppliers to do their part in respecting human rights globally.

Stakeholders and Partners





Measuring Effectiveness

We work towards continuously improving our actions in our operations and supply chains to assess and address human rights and modern slavery issues. We understand the importance of assessing the depth of coverage and appropriateness of our actions in this regard.

Our internal and third-party procedures help us monitor and assess our effectiveness. We are regularly engaged and assessed across our business on our policies and protocols and how we effectively use these controls in our operations and supply chain.

A combination of both quantitative and qualitative measures must be utilised to allow us to understand and measure the effectiveness of our actions to address modern slavery. These measurements need to be continuously adapted as our actions mature and the environment in which modern slavery occurs reacts to these actions.

In particular, we:

- Quantify the scope of our risk issues
- Assess the severity of these issues
- Assess our understanding of the issues internally and in our supply chain
- Assess the remediation of issues by our organisation or in our supply chain.

Below are the measures that we utilise to assess our effectiveness;

Area	Item	Measurement or Effectiveness Action
Policies and Contractual Controls	<ul style="list-style-type: none"> • Ensure policies set clear expectations around preventing and addressing all forms of modern slavery • Policies to provide prevention and protection to workers against leading indicators of modern slavery • Policies adjusted and improved to address gaps 	<ul style="list-style-type: none"> • Policies reviewed on regular basis (internal and external) • Percentage of suppliers covered by agreement and code of conduct • Percentage of factories audited against policy • Staff accessibilities to policies related to modern slavery • Supplier accessibility to policies related to modern slavery
Risks	<ul style="list-style-type: none"> • Understanding our exposure to risks • Management of risk profile across business 	<ul style="list-style-type: none"> • Number of supply chain actors traced • Risk assessment conducted • Percentage of supplier sites in high and extreme risk
Awareness	<ul style="list-style-type: none"> • Modern slavery awareness training for internal staff and suppliers to ensure we improve our knowledge of issues and how to prevent 	<ul style="list-style-type: none"> • Number of staff trained on modern slavery and broader human rights risks • Number of suppliers trained on modern slavery and broader human rights risks
Audits and Issue Monitoring	<ul style="list-style-type: none"> • Supply chain monitoring and assurance • Access to functional grievance mechanisms • Ensure quality and effectiveness of audit types 	<ul style="list-style-type: none"> • Percentage of factories approved in our auditing program • Number of critical issues identified • Number of grievances identified • Number of modern slavery issues identified
Remedy	<ul style="list-style-type: none"> • Audit corrective actions improved or closed • Grievances remediation completed • Required actions taken against actual modern slavery violations 	<ul style="list-style-type: none"> • Number of audit issues remediated • Remediation of modern slavery issues

Process of Consultation

Country Road Group Pty Ltd and its principal governing body represents and controls all subsidiary entities, including all reporting entities in the Country Road Group required by the Act. All entities are managed by a centralised management and executive team.

All reporting entities are listed in [Appendix 1](#).

Senior management, executives and the directors of the reporting entities have been consulted and informed of the actions taken throughout this reporting period, and development of this statement has occurred through face-to-face meetings with directors, via email correspondence, through consultation on actions throughout the year, and being tabled at WHL (parent company) Social and Ethics Committee meetings.



Looking Forward

We recognise that our business and industry need to continue to take progressive steps to eradicate modern slavery. As such we have committed to the following steps in the coming year:

- Support factories to renew audits in line with regular audit cycle
- Enhance our supplier onboarding process through improved evaluation and risk assessment
- Review and improve policies
- Conduct modern slavery and human rights workshops with our suppliers
- Pilot our digital factory-level grievance mechanism
- Extend our traceability of factory sites deeper down our supply chain across a wider set of materials
- Increase training of internal staff, including senior leadership teams, through modern slavery and responsible purchasing practises
- Further develop our remediation processes.

We will continue to monitor the ongoing challenges relating to COVID-19 and the impacts it has on vulnerable workers in our operations and supply chains. We will continue our best efforts to assess and address the risks of modern slavery and broader human rights issues in our operations and supply chains.

Australian Modern Slavery Act Mandatory Reporting Criteria	Section In CRG Modern Slavery Statement
Identify each reporting entity covered by the joint statement	Executive Summary Appendix 1
Describe the structure, operations and supply chains of each reporting entity covered by the joint statement	Country Road Group's Structure Operations and Supply Chain
Describe the risks of modern slavery practices in the operations and supply chains of each reporting entity covered by the joint statement and any entities that each of those reporting entities owns or controls	Modern Slavery Risks in Country Road Group's Supply Chains & Operations
Describe the actions taken by each reporting entity covered by the joint statement and any entities that each of those reporting entities owns or controls to assess and address these risks, including due diligence and remediation processes	Assessing & Addressing Risks of Modern Slavery
Describe how each reporting entity covered by the joint statement assesses the effectiveness of actions being taken to assess and address modern slavery risks	Measuring Effectiveness
Describe the process of consultation with each reporting entity covered by the joint statement and with any entities that each of those reporting entity owns or controls	Process of Consultation
Any other relevant information	COVID-19 Case Study: Unauthorised Subcontracting Training, Capacity Building and Collaboration Looking Forward

Appendices

Appendix 1.

All entities who are reporting entities and included in this joint statement:

Country Road Group Pty Ltd

Country Road Clothing Pty Ltd

Witchery Australia Holdings Pty Ltd

Witchery Holdings Pty Ltd

Witchery Fashions Pty Ltd

Mimco Pty Ltd

Woolworths International (Australia) Pty Ltd

Appendix 2.

Definitions of types of Modern Slavery⁷

Type of Exploitation	Definition
Trafficking in Persons	Describes the recruitment, harbouring and movement of a person for exploitation through modern slavery.
Slavery	Describes situations where the offender exercises powers of ownership over the victim, including the power to make a person an object of purchase and use their labour in an unrestricted way.
Servitude	Describes situations where the victim's personal freedom is significantly restricted and they are not free to stop working or leave their place of work.
Forced Marriage	Describes situations where coercion, threats or deception are used to make a victim marry or where the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony.
Forced Labour	Describes situations where the victim is either not free to stop working or not free to leave their place of work.
Debt Bondage	Describes situations where the victim's services are pledged as security for a debt and the debt is manifestly excessive or the victim's services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined.
Deceptive Recruiting for Labour of Services	Describes situations where the victim is deceived about whether they will be exploited through a type of modern slavery.
The worst forms of child labour	Describes situations where children are: <ul style="list-style-type: none"> • exploited through slavery or similar practices, including for sexual exploitation or <ul style="list-style-type: none"> • engaged in hazardous work which may harm their health, safety or morals or <ul style="list-style-type: none"> • used to produce or traffic drugs.

⁷Definitions and descriptions based on the Australian Commonwealth's Guidance for Reporting entities
https://modernslaveryregister.gov.au/resources/MSA_-_Official_Guidance_.pdf



COUNTRY ROAD GROUP

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