

GAZMAN

AUSTIN RETAIL DISCRETIONARY TRUST

MODERN SLAVERY  
STATEMENT

FY 2022-23

# Contents

- 03. INTRODUCTION
- 06. REVIEW AND APPROVAL
- 08. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN
- 17. IDENTIFYING AND ASSESSING MODERN SLAVERY RISK
- 27. ACTION PLAN & ASSESSMENT OF EFFECTIVENESS
- 35. LOOKING FORWARD - NEXT STEPS
- 38. APPENDIX



# 1 Introduction, Reporting Entity and Approval

# What is Modern Slavery?

Modern slavery is when coercion, threats or deception are used to exploit individuals and deprive them of their freedom. These are serious crimes globally, and in Australia, and include trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services. What these things all have in common is that they undermine a person's freedom and ability to make choices for themselves<sup>i</sup>.

i. Red Cross Addressing Modern Slavery, A Guide for Australian Businesses

This is the first Modern Slavery Statement lodged by GAZMAN Pty Ltd as trustee for the Austin Retail Discretionary Trust ABN - 56789496568, (referred to as "ARDT"). Trading as GAZMAN (referred to as "GAZMAN" "The Company").

During the reporting period ending 1st July 2023 GAZMAN exceeded the statutory annual reporting turnover threshold for the first time.

GAZMAN is a privately owned business, and its registered address is.

**1320 Malvern Road, Malvern 3144. Victoria, Australia**

This statement outlines our actions to identify, assess and address the risks of modern slavery across our supply chain and operations.

In doing so we acknowledge the inherent risk associated with the procurement of Apparel, Accessories and Footwear in today's global marketplace, and are committed to making improvements that increasingly mitigate these risks.

# Letter from the CEO

At GAZMAN, we aim to ensure that every interaction undertaken by our people serves to build a truly personal relationship, one that transcends a simple business transaction. From the beginning, it has always been about how our actions can further build our relationships.

We all have a responsibility to think beyond the next sale and to ensure we are operating as an ethical, socially responsible company, one our employees can be proud to be a part of, our customers proud to ship with.

That is why we will continue to seek ways to give back to the communities we belong to. Promote safe workplaces for the people who make our products, reduce our impact on the environment, and provide our employees with a great place to work.

All of us have a role to play in building and shaping a positive, inclusive, and sustainable future.

We will use this first report to demonstrate our progress to date, whilst we continue to strengthen our supplier management processes, and build capability in our sourcing and compliance teams.

We are committed to improving all aspects of supplier management through broader team education and training, ongoing engagement with our supply chain partners and continuous improvement of our policies, support systems, and corporate governance.



A handwritten signature in white ink that reads "Will Austin". The signature is written in a cursive, flowing style.

**Will Austin**

December 2023

A photograph of two men walking on a boat deck, overlaid with a semi-transparent blue filter. The man in the foreground is wearing a dark polo shirt, light-colored trousers, a watch, and sunglasses, and is smiling. The man in the background is wearing a white polo shirt, dark shorts, and sunglasses, also smiling. The background shows a body of water and a boat railing.

# Review and Approval of this Modern Slavery Statement

Pursuant to the requirements of the Modern Slavery Act 2018 (Cth) the contents of this statement have been reviewed and confirmed as accurate by the authorised person(s). This statement will be submitted by the required deadline December 31st, 2023, and following submission will be published on the Modern Slavery Register.

This Modern Slavery Statement was approved on 22/12/2023 by

A handwritten signature in white ink, appearing to read 'Austin', is positioned to the right of a horizontal line that serves as a signature line.

**William Austin**

CEO

GAZ MAN

# Our Structure, Operations and Supply Chain



GAZ MAN

# Company Overview

The origins of GAZMAN were founded in 1974 and today it remains an Australian owned & family run business committed to supplying outstanding quality product at exceptional value. From humble beginnings, GAZMAN has grown to become a much loved and celebrated Australian menswear brand.

Our belief in exceptional customer service; value for money and an outstanding quality product have always been the basis of our business.

GAZMAN is a “Brand for All Generations,” providing contemporary casual & business Apparel and Accessories, allowing men to dress with confident style, comfort, and value.

## Our Corporate Structure

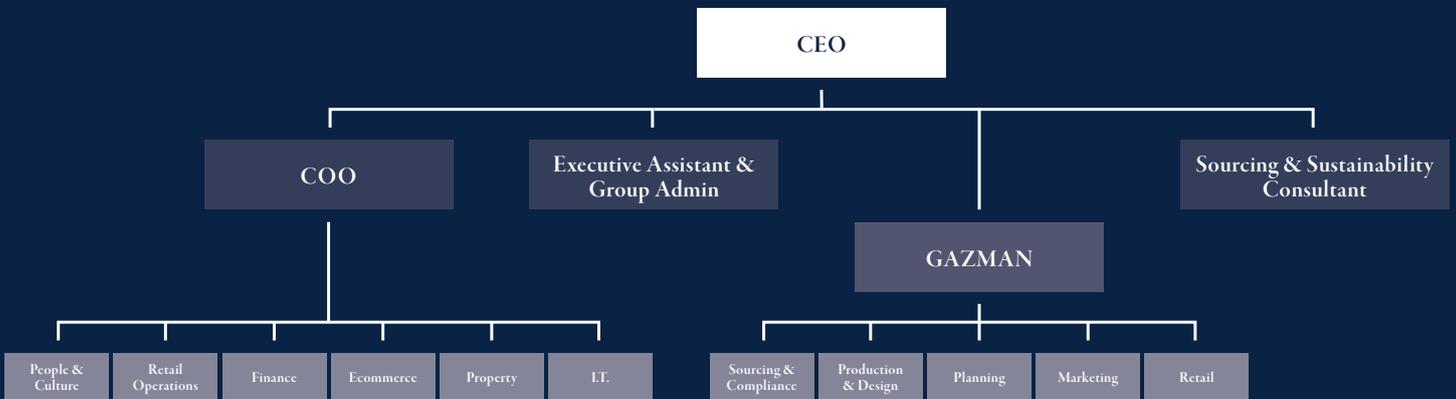


Figure 3.1<sup>ii</sup>

## Our Brand and Stores

GAZMAN trades in ninety store locations across Australia, and online. Our Store network consists of Retail stores we own and operate as well as an online business.

## People

We employ 727 people throughout our Retail Stores and Support Office, across departments, including Customer Service, Design, Product Research and Development, Sourcing, Wholesale, Marketing, Finance, IT, and Human Resources.

All employees are employed via the Austin Employment Trust ABN-11349852088

## Employee Breakdown

Employee Details			
	Stores	Head Office	Total
Casual	432	19	
Full Time	120	85	
Part Time	37	32	
Contractors	0	2	
<b>Total</b>	589	138	

Table 3.2 Austin Employment Trust Employee breakdown<sup>iii</sup>

## Local Operations

Our various departments purchase products and services from many suppliers covering all areas of business operations.

Many are localised to our store locations across Australia, and as such we may have multiple suppliers or contractors who provide a similar service or product such as Cleaning or Recycling and Rubbish removal.

For the purposes of Modern Slavery Risk Analysis, we have grouped our suppliers broadly by category. This has enabled us to focus on key risk areas for Modern Slavery by industry, following guidelines established by Walk Free Global Slavery Index, Anti-Slavery Australia, and The Red Cross.<sup>iv</sup>

Builders and Shopfitting

Catering, including food and beverage providers

Cleaning and Cleaning Contractors

Financial and Legal Services

Garment Repairs and Services

IT Services

Marketing, Visual Merchandising and Ecommerce

Recruitment Providers

Leasing and Property Services

Security Providers

Stationery and Office Supplies

Utilities

Warehousing and Logistics

# Offshore Operations: Our Finished Goods Supply Chain

## Countries of Manufacture

**Apparel:** 44 Suppliers across five countries.

**Accessories:** 16 Suppliers across two countries

**Footwear:** 7 Suppliers across five countries

In the reporting period 2022/23 we sourced Finished Goods from a total of 69 Tier One Suppliers across six countries.†



Fig 3.3 GAZMAN Sourcing Locations FY22/23

	Apparel	Accessories	Footwear	% Of Total Goods Manufactured
<b>China</b>	✓	✓	✓	52%
<b>Vietnam</b>	✓		✓	36.5%
<b>India</b>	✓		✓	6.1%
<b>Bangladesh</b>	✓		✓	4.7%
<b>Australia</b>		✓		0.6%
<b>Indonesia</b>	✓		✓	0.1%

Table 3.4 Goods manufactured in each location as a % of the total<sup>vi</sup>

Our products are designed and developed in Melbourne from our Head Office located in Malvern, and this work is supported by a team that includes Designers, Product Developers & Garment Technicians, along with a Sourcing and Compliance team comprising of a Sourcing Manager, Production Coordinator and Quality Assurance Coordinator.

Our manufacturing supply chain is complex and includes sixty-nine factories (in this reporting period) supplying finished goods across Apparel, Accessories and Footwear. These manufacturing facilities are located across six different countries, with our primary reliance on China and Vietnam as manufacturing sources.

## Apparel Sourcing

At GAZMAN we have focussed on developing long term relationships with a core group of these suppliers over many years, primarily in relation to Apparel sourcing, which forms the largest component of our business.

The longevity of these partnerships has enabled us to focus on producing a consistent, high-quality product, and over time, as our business has grown, so have those of our partners. We have been able to closely observe the

development of our partners individual operations through regular in person visits to factories, which have been further supported by the independent cyclical auditing process.

There have certainly been many impacts in our primary manufacturing locations following on from COVID-19. These include a reduced workforce, resulting in skilled labour shortages, factory closures and ongoing delays to infrastructure projects, along with reduced investment in upgrading of existing manufacturing equipment.

The global trend towards offshoring and the ongoing move by many retailers to manufacturing outside of China, has also created additional pressures for many China based manufacturers.

We approached this geographic shift in manufacturing strategically. We partnered with existing suppliers to take a gradual phased approach to moving to their newer facilities in Southeast Asia (for example new facilities in Vietnam). This speaks to the increased number of “new” manufacturing facilities we have onboarded in the past 5 years.

To date we have mapped all Tier One Suppliers, supplying Finished Goods to our brands, and have created a supplier database to house all relevant supplier data.

We have begun work on gaining a better understanding of our Tier Two textile supply chain, with initial mapping of key raw material suppliers in place. Given we also source raw materials from third party suppliers via our factories, this has created some initial challenges that we are currently working through with individual suppliers to gain better visibility on fabric and fibre sources.

## Accessories and Footwear

There is certainly additional complexity involved in the sourcing of Accessories and Footwear product.

Both categories form a very small part of our overall GAZMAN range offer (less than 6% of our total volumes), and as our order quantities can be quite low, when compared to the USA or EU markets, we rely on buying Agents located both here, in Australia, as well as overseas, to manage the sourcing and production processes on our behalf.

We have created individual maps of our Accessories and Footwear supply chains, showing the relationships between each party and to date have full transparency of each of the Accessories and Footwear factories, manufacturing finished goods on our behalf.

Each sourcing Agent is required to sign the Code of Conduct on behalf of their factories and is responsible to ensure all parties are fully informed of our broader supplier requirements.

We also request regular Audit updates from our Agents and Partners, so we have visibility of individual facility compliance. This is an ongoing process and one we are fully committed to with all our Footwear and Accessories supply chain partners.

## Supplier Relationships

The table below<sup>viii</sup> outlines the length of our relationships with our suppliers, and this clearly indicates the relative newness of our Accessories and Footwear suppliers to the brand, with twenty individual manufacturers onboarded in the past 5 years.

The 13 Accessories suppliers who have been onboarded indicate our strategy to increase both variety and options in this category and as manufacturing is dictated by product type it generally entails a different factory to produce each product (for example woven caps and knitted scarves).

All thirteen suppliers are accessed via two local Sourcing agents and represent just 5.13% of our total dollar purchases.

Footwear is a highly specialised and technical category and one that we also source via local sourcing agents. This is a relatively new category for GAZMAN and one we are testing for product suitability and alignment to our customers' requirements. For the moment, quantities are very low and represent just 0.64% of our total dollar purchases.

Length of Relationship	Number of Suppliers Apparel	Number of Suppliers Accessories	Number of Suppliers Footwear	Total
<b>10+ Years</b>	14	1		15
<b>5+Years</b>	12	3		15
<b>Less than 5 years*</b>	19	13	7	39
				69

Table 3.5 tenure of Suppliers across Apparel, Accessories and Footwear

A man in a striped polo shirt and shorts is walking a dog on a leash along a grassy path. The scene is set at dusk or dawn, with a soft, dim light. The background shows a grassy hillside and a distant horizon line. The overall mood is peaceful and serene.

# 4 Identifying and Assessing Modern Slavery Risk

# General Local Operations Risk Assessment

The most common types of Modern Slavery that may be present in Australian supply chains (as identified by Anti-Slavery Australia<sup>viii</sup>) are Human Trafficking, Servitude, Forced Labour, and Debt Bondage, with those most at risk being backpackers, international students, asylum seekers and migrants on limited or restricted working visas.

There is an increased risk for those who do not speak English fluently as they may be unaware of their rights in the Australian labour market, and for those experiencing poverty, violence, or insecure living arrangements due to socio economic factors, with women in these situations more generally identified as of higher risk.

Given the nature of employment in some industries, particularly those with high rates of casual and/or seasonal work, there may be an elevated risk of modern slavery occurring. This is of particular concern where third party labour providers may be used to provide casual or seasonal labour as there is usually a lack of visibility over employment processes and individual contracts.

## Austin Retail Discretionary Trust - Our local supply chain risk assessment

We have identified the following areas of our local supply chain as having potential to be at an elevated risk of modern slavery;

- Cleaners and Cleaning
- Warehousing and Logistics
- Building and Shopfitting
- Security Providers
- Catering Food and Beverage Suppliers

The table below<sup>ix</sup> outlines these areas and talks directly to the possible risk to specific groups or service and product providers. This information is based on the Australian modern slavery risk by industry as identified by Anti-Slavery Australia, and we have used this guide to assess risk in our local supply chain.

Industry	Rating	Risk Assessment
Cleaners and Cleaning contractors	Orange	We engage with a number of small operators across our stores and corporate head office for cleaning services and they may employ cleaners who may be recent immigrants and could not be aware of their rights under Australian Law. Given the widespread use of sub-contractors in this industry, we may have low visibility on individual employment contracts, working hours and rates of pay.
Building and Shopfitting	Orange	Sectors of the building and construction industry may employ sub contractors and so we would have low visibility on employment contracts, working hours and rates of pay along with any potential OH&S issues. This industry also employs unskilled workers and there may be a higher likelihood of at risk persons being engaged in some activities.
Catering, Food and Beverage Supplies	Green	There is a higher risk of vulnerable people including students and newly arrived migrants working across these industries
Warehousing & Logistics	Orange	Our third party logistics provider is contracted to provide a full service model including receipt of all goods, and pick and pack of outgoing stock to stores. Our primary freight and logistics partners are relatively large Australian operators who are in some cases submitting their own Modern Slavery Statement. There is inherent risk across both industries that due to the seasonality of the workforce, and unskilled nature of much of this work there may be a higher likelihood of at risk persons being engaged in these activities.
Security Providers	Orange	We employ an external security company to install and monitor security systems across our stores network. We may have low visibility on individual employment contracts, working hours and rates of pay across this industry, however our sole security provider submits their own Modern Slavery Statement, so the risk is very low.

Table 4.1 Industry Risk Assessment Australia – Anti Slavery Australia

# Offshore Country of Manufacture Industry Risk Assessment

Utilising the Walk Free Global Slavery Index<sup>x</sup>, as a guide to the potential risk of each country we manufacture in, we have compiled a table (see Appendix Table 4.2<sup>x</sup>) which outlines the overall country risk rating by assessment against the following criteria.

- The prevalence of Modern Slavery
- A countries vulnerability to Modern Slavery
- The Government response to Modern Slavery

We then reviewed any key issues or “hot spots” that may have an additional impact on the likelihood of the Modern Slavery risk being elevated, such as Cotton fibre supply chain concerns in Northern China, and the updated Bangladesh Accord [The International Accord for Health and Safety in the Textile and Garment Industry 2021]<sup>xii</sup>

Considering our current sourcing across Apparel, Accessories and Footwear, we have incorporated a broad supply chain view that includes textile supply chain risks relative to these manufacturing industries and have used this to inform our assessment of each country relative to our Supplier Code of Conduct.

## Supplier Code of Conduct<sup>xiii</sup>

Incorporating:

- Supplier Code of Conduct
- Raw Material Sourcing Policy
- Manufacturers Restricted Substances List
- Product Restricted Substances List

Our Supplier Code of Conduct was reviewed and updated in October 2021, after which it was reissued to all existing finished goods suppliers, with all new suppliers required to sign as they are onboarded.

The October 2021 Code leans heavily on the Ethical Trade Initiative Base Code (ETI)<sup>xiv</sup> and follows the guidelines set out in the UN International Labour Organisations (ILO)<sup>xv</sup> covenants, with specific regard to:

- C001 Hours of Work (1919)
- C047 Forty Hour Week (1935)
- C029 & C105 Forced Labour (1930)
- C111 Discrimination (Employment and Occupation) (1939)
- C182 Child Labour (Worst forms of Child Labour) (1999)
- C138 Minimum Age (1973)
- C087 & C098 Freedom of Association and Collective Bargaining (1949)
- C177 Home Work

This includes a detailed overview of expected implementation of the Code as well as setting out clear guidelines for the cyclical factory audit process. There is an additional clause related to the upholding of environmental standards ensuring these meet all required legislation in the countries and territories of operation.

**To date our Supplier Codes have been fully signed by 95% of our Tier One (Finished Goods) Suppliers.**

## Risk Assessment Matrix of Austin Retail Discretionary Trust Supply Chain based on key Social Auditing areas.

### Risk Assessment Matrix Guide: Probability of this occurring<sup>xvi</sup>:

Probability	Very Low	Low	Medium	High	Very High
	Unlikely that this is an issue however it will be reviewed annually.	May occur in minimal instances. With remediation and CAP can be readily corrected.	May occur more often and should be a concern.	This will most likely be a concern.	This is expected to occur.
Impact	Insignificant/ Acceptable	Minor/Acceptable	Significant/ Unacceptable	Major/ Unacceptable	Severe/ Unacceptable

Table 4.4 Risk Assessment matrix guide

### Risk Assessment by Country of Manufacture<sup>xvii</sup>:

Risk Area: Supplier Code of Conduct	Risk Assessment					
	Australia	Bangladesh	China	India	Indonesia	Vietnam
Employment is Freely Chosen	Very Low	Medium	Medium*	Low	Very Low	Medium*
No Child Labour	Very Low	Low	Low	Medium	Very Low	Very Low
Freedom of Association and Collective Bargaining <sup>^</sup>	Very Low	Low <sup>^</sup>	Medium <sup>^</sup>	Medium <sup>^</sup>	Low <sup>^</sup>	Low <sup>^</sup>
Payment of a Living/Fair wage	Low	Very Low	Very Low	Low	Very Low	Very Low
Working hours are Excessive	Very Low	Low	Very High	Low	Very Low	Very Low
Regular employment is provided	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low
No Workplace Discrimination is practised	Very Low	Low	Very Low	Low	Very Low	Very Low
Health and Safety	Very Low	Low	Low <sup>**</sup>	Low	Very Low	Very Low
Environmental Responsibility a concern <sup>^^</sup>	Very Low	High	Medium <sup>^</sup>	Low	High	Medium <sup>^</sup>
Use Hazardous Chemicals in supply chain <sup>^^^</sup>	Very Low	Low	Very Low	Medium <sup>***</sup>	Very Low	Very Low
Risk of Subcontracting	Very Low	Low	Medium	High	Very Low	Very Low

Table 4.5 Supplier Code of Conduct - Country Risk Assessment.

**Freedom of Association and Collective Bargaining**<sup>^</sup> as this may be restricted under law in some countries or territories, the ratings Low<sup>^</sup>/Medium<sup>^</sup> reflect this as this may hamper the independent function of Trade Unions.

**Environmental Responsibility a concern**<sup>^^</sup> all suppliers MUST meet the requirements for environmental responsibility under local legislation operating in their territories.

**Medium**<sup>\*</sup> Primarily due to internationally identified risk of Uyghur labour being used in Xinjiang region of China potentially impacting cotton supply chains.

**Low**<sup>\*\*</sup> minimal risk as we are generally not utilising heavy machinery in our production processes. Most breaches identified through regular auditing cycle tend to be sewing machine guards not being in place, or relatively minor breaches of occupational safety such as hearing tests not completed on entry/exit of employment.

**Medium**<sup>\*\*\*</sup> This identified risk relates specifically to the dyeing of leather in India and manufacture of leather related footwear and apparel products.

**Use of Hazardous Chemical in Supply Chain**<sup>^^^</sup> given the type of products we are manufacturing, (Apparel, Accessories and Footwear) the risk of hazardous Chemicals being used is minimal. Therefore, the risk assessment is based on where we are manufacturing goods only, and there is no inhouse dyeing, and minimal fabric finishing is required.

# Key Issues Identified in this reporting period FY2022-2023

## Payment of a Living/Fair Wage

Whilst all audits reveal that workers are paid at or above award rates<sup>xviii</sup>, there appears to be a consistent issue across many manufacturers with correct or on time payment of relevant social insurances. Once pointed out this is quickly remedied however it appears to be a case of inaccurate bookkeeping rather than an attempt to avoid paying workers their legal entitlements.

## Working Hours are Excessive

The impact of a reduced workforce and availability of labour in China due to Covid-19 rolling lockdowns certainly saw an increase in hours worked broadly across the Apparel manufacturing sector, reflected in an increase in excessive overtime hours being reported across our factory Audits. In most instances this is due to poor capacity planning and internal management processes.

As most of our finished goods suppliers produce work for multiple retailers, our approach to this has been to discuss the issue with individual manufacturers to understand the root cause of the problem. Firstly, to ensure our planning and production processes are not contributing to this, and secondly to work with them to enact solutions to minimise overtime.

This is a complex issue with many factors impacting this however we are continuing to work with suppliers to

encourage improvements in production planning and capacity management. This includes recommending a review of internal factory process, and encouraging factories to work with other retailers they may be supplying to encourage ethical procurement processes to minimise this issue.

## Use Hazardous Chemicals in their Supply Chains

Generally, the use of hazardous chemicals in our Tier One supply chain is minimal and, in most cases, the correct procedures are being followed for handling, storage, and disposal of any hazardous chemicals.

Beyond this through our MRSL and PRSL we outline the requirements for each supplier to meet the **REACH** European Union Hazardous Chemicals standards and the **ZDHC** requirements for Hazardous Chemical Discharge<sup>xix</sup>. Our Accessories and Footwear is generally sourced via local Agents and therefore we do not always have full visibility of these finished goods manufacturers, and as such there is an identified possible risk in the footwear category, as some goods are manufactured in India and Bangladesh, where there have been instances of unsafe leather tanning and dyeing practices in the footwear industry.

We will continue to investigate our Tier 2 supply chain (inclusive of raw material manufacture) to further understand the risks across the spinning and weaving mills, as well as dye houses, where dyeing may be subcontracted. An additional review process of all third party (non-Tier One Supplier) processing facilities such as wash houses and printers is also underway to identify any further potential risks.

## Risk of Subcontracting

Although we have robust supplier agreements in place in the form of our Supplier Code of Conduct, we continue to see some occasional evidence of subcontracting and the use of unauthorised “Branch Factories” by our suppliers. In most instances this is readily picked up through our inhouse AQL Processes (indicated by a shift in quality or unusual product failure), or via regular on-site factory visits. We continue to address this with suppliers through enforcement of the Supplier Code of Conduct which strictly prohibits the use of non-authorized manufacturers, as well as ongoing face to face meetings and Video Conference calls with our key business partners to explain the seriousness of unauthorised subcontracting, and to outline the potential risks involved for all parties.

## Textiles and Raw Material Supply chains

We acknowledge the very high risks associated with cotton procurement and the very real risk to our business as this is our largest sourced fibre by volume and is utilised across most product categories.

Sourcing more generally across raw materials is proving to be an ongoing challenge as it is an area where there is either very good transparency in cases where we deal directly with mills or spinners ourselves, or none in the case of vendor sourced fabrics and yarns. Our sourcing process for textiles continues to be a challenge, however we are working closely with our product teams to increase awareness and understanding of the inherent textile supply chain risks.



5 Action Plan: Steps taken  
to minimise the risks of  
Modern Slavery



# Our Corporate Operations and Stores: Policy controls

GAZMAN has a clear set of codes, policies, and protocols with which our people and suppliers are required to adhere to.

These agreements, codes and policies operate across the business, including all owned and controlled entities. These policies<sup>xx</sup> aid in managing modern slavery and human rights risks in our supply chains and our business operations.

Agreement or Policy	Description
Employment Agreement	The employment agreement between Austin Employment Trust and each employee is a formal document that clearly outlines each party's responsibilities including in regard to adherence to laws, professional conduct and policies and procedures.
Code of Professional Conduct*	Aims to promote conducting our business according to the highest standards of honesty, integrity, respect, and fairness when dealing with our customers, suppliers, and fellow employees. The code of professional conduct policy has been documented to ensure that practices are standardised and made consistent throughout our organisation. They have also been developed to ensure high standards of behaviour and ethical conduct expected of employees
Harassment, Bullying and Discrimination Policy	Promotes a safe work environment free from harassment, bullying and unlawful discrimination thereby laying the foundation for a productive and positive workplace environment. This policy outlines the relevant definitions, underpinning principles, and the organisation's commitment to eliminating harassment, bullying and unlawful discrimination and provides guidelines on how to access support and how to resolve a complaint processes.
Grievance & Dispute Resolution Policy	Aims to promote a fair and reasonable work environment in which employees can resolve grievances or disputes within a fair and balanced dispute resolution process.

Table 5.1 ARDT Codes and Policies FY2022/23

# Local Operations

## Building and Shopfitting

We primarily engage with one Supplier for all required building and shopfitting across the business. They provide services Australia wide and produce all joinery in a facility located in Victoria. We have worked with this supplier for over 5 years, and they are fully unionised, and meet all awards under Australian legislation. Their operations are incorporated in their parent companies Modern Slavery Statement.

We purchase steel fabrication for building and shopfitting from an offshore supplier in China that is wholly owned by the same provider (above).

Our Electrical, Plumbing and Air Mechanical services are subcontracted via the same centralised supplier (above).

We acknowledge the widespread use of subcontractors within the shopfitting industry, however the risk is mitigated here due to the parent company submitting their own Modern Slavery Statement.

## Cleaners and Cleaning Contractors

We utilise 3 primary cleaning services across our corporate head office and stores.

### **General Property Cleaning Services:**

Are provided by two operators who subcontract to individual cleaners holding their own ABN's.

Services are provided for our support office and one store location, and in this instance the subcontracted cleaners are a husband-and-wife team.

**Window Cleaning Services:**

We use the services of a nationwide provider who utilises a number of vendors across Australia to complete the contracted works across stores network and support office. We have recently moved away from this provider and will be engaging with a new national provider in the coming months.

## Warehousing and Logistics

We use a third-party logistics (3PL) provider for all receipt of stock and pick and pack to stores. We have good oversight of this provider via our Logistics Manager who reports to the GM of Inventory and Planning and work closely with the provider to ensure all staff are trained to a consistent standard to supply the service level required. The facility is fully unionised, and award rates are paid to all workers. We have 1-2 staff members based in the warehouse regularly who also provide oversight of workers conditions.

Our transportation and freight are overseen by two primary suppliers in major cities, who then use their network of regional sub-contractors to reach our regional store network. We have good oversight of these sub-contractors and will be further engaging with these providers to assess any risk in these supply chains.

On occasion we may require the services of a third-party provider for re-ticketing of goods or minor repair and laundering work. These providers are engaged directly by us, and are approved by the GM of Inventory and Planning, and the Sourcing Manager.

## Security Providers

Providing alarm installation and monitoring services to us we work with a nationwide provider for all services.

This provider has shared their internal employee training and onboarding process with us and is considered at a relatively low risk for modern slavery given their internal processes, governance, and oversight along with producing their own Modern Slavery report annually.

# Offshore Operations - Our Finished Goods Supply Chain

## Supplier Documentation

**Supplier Code of Conduct** outlines our ethical sourcing framework and is based on the ETI base code and 8 International Labor Organisation's fundamental Conventions.

**Raw Material Sourcing Policy** outlines our expectations about sourcing of all fibres and includes our Cotton sourcing policy as well as our animal welfare policy.

**Manufacturers Restricted Substances List and Product Restricted Substances List** outlines the standards that must be adhered to regarding residual chemicals in both fabric and finished goods. This is based on the REACH EU standards and incorporates the ZDHC approach to safe discharge of chemicals. (Guidelines for the Safe handling, storage, use and discharge of any chemicals used in processing our goods are outlined within the Supplier Code of Conduct).

## Centralised Supplier onboarding process

We have a centralised supplier onboarding process that takes place prior to any product development beginning with suppliers. This formal process is handled by the Central Sourcing team and requires CEO sign off prior to a supplier being onboarded. Any concerns at the onboarding stage are reviewed by the Sourcing Manager and QA Coordinator and referred to the supplier for discussion and clarification before the documentation is sent out. This allows us to filter any suppliers that may be problematic prior to them entering our system.

## Seasonal Supplier Performance Reviews

Seasonal supplier reviews take place to assess the overall performance of each supplier and includes an additional review of the most recent Audit results, providing us with an additional opportunity to flag any concerns with each supplier. This ensures we have good oversight of individual, as well as category performance, which may be a flag to indicate a change in manufacturing location or the use of unauthorised sub-contractors.

## Regular 3rd Party audit cycle

The supplier audit cycle is proactively managed by our QA and Compliance Manager who reads each submitted audit and then follows up with individual suppliers on formal Corrective Action Plans or raises any concerns that may have been highlighted through the auditing process. All audits are saved to our supplier folders and cross checked against details held in our Master Supplier Database to confirm addresses and locations of all factories annually.

Additional third-party inspections may be utilised throughout the bulk production process if we have specific supplier concerns which allows us an additional entry and inspection point to our supplier's facilities.

## Supplier Database

Our supplier data base holds details of every supplier used across GAZMAN and includes details of ownership, relationships with third party buying agents, all addresses and company names. This includes the number of workers employed whether there are dormitories provided for workers, third party suppliers such as dyehouses and printers (where applicable) and enables us to track any key changes to this data year on year.

## Regular Travel

With the easing of travel restrictions post Covid-19 we have reinstated regular travel to our supply base by our Design and Product teams as well as our Sourcing team. This provides a face-to-face opportunity to talk with each vendor as well as inspect factories in detail and make our own assessments. This has proven invaluable recently with some cases of unauthorised sub-contracting discovered, primarily due to a shortage of skilled labour post Covid-19 lockdowns. Corrective action was taken with both suppliers.

## Video Conference Calls and Virtual Factory Tours

We have continued to use both VC's and virtual factory tours to deal with urgent issues when we cannot be directly in the supply base ourselves, whilst not perfect this provides an additional tool, we can utilise to better manage risks of modern slavery with our suppliers.

## Sourcing and Compliance Consultant

In addition to our internal teams, we have for the past two years engaged with an external consultant to support development and implementation of Supplier Compliance processes with our teams. This has enabled us to focus on business as usual whilst projects are established and allowed for a smoother roll out to suppliers.

## Transparency in Textiles and Raw Material Supply chains

As well as developing more formal partnerships with key industry textile bodies such as Cotton Australia and Australian

Wool Innovation to provide support to better manage transparency across key fibres, transparent Cotton sourcing continues to be an ongoing challenge industry wide.

We are working closely with our major suppliers to develop alternative sources of cotton; however, this is a medium-term project as it involves redeveloping some of our core bases as well as setting up new supply chain partners.

We will be implementing an Ethical Sourcing training module in the next 6 months, working closely with our internal product teams on training and understanding of these supply chain risks to better improve our ethical sourcing and procurement approach.

## Assessment of the Effectiveness to Address Risks of Modern Slavery

We have a relatively good understanding of our suppliers and can readily identify where we may have any risks of modern slavery in our Tier One supply chain.

We will continue to refine and develop our review process to ensure we are identifying suppliers that are non-compliant, and we will incorporate these findings and learning across our compliance team to further build capability and knowledge.

We are measuring supplier performance regularly and have good visibility and tracking of offshore supplier compliance, through tracking signatories to our Supplier Code of Conduct and associated compliance documentation.

Our Audit follow up with suppliers is consistent and we are building on our capability within the centralised Sourcing and Compliance teams to ensure this continues to improve.

We have identified where there are concerns in internal processes and are working with individual business units to address these.

We will be reviewing our policies making improvements to these where relevant and identifying opportunities for additional team training on supplier compliance and risk.

This area is one that continues to evolve, and we have outlined the key areas for focus in the next fiscal year below.



Looking forward and  
Next Steps

## Executive Engagement

We will continue to engage with the Senior management team to ensure we have complete support for supply chain transparency and risk assessment across all business units.

## Training

Training and education of our internal teams is critical to managing modern slavery risks across the supply chain. The education process includes a combination of on-the-job training as well as more formal training.

In the coming financial year, we will be rolling out the following training modules:

- Modern Slavery Training
- Responsible Purchasing Practices
- Ethical Sourcing of Textiles
- Supplier Onboarding Training

## Offshore Tier 2 Supplier Transparency

We will begin work to map our Tier 2 supply chain partners, specifically our raw material suppliers. Our approach is to continue to work on our highest risk fibre (Cotton), ensuring we have developed viable long-term alternatives to Northern China cotton fibre sourcing that can be readily verified.

Depending on the individual fibre we do have a reasonable level of transparency (for example with Wool Knitting yarn and Denim fabric). However, we acknowledge there is much work to be done to adequately capture these supply chains and understand the origin of our fibre.

## Local Suppliers

We will undertake a review of our local supplier base and will begin a roll out of our Supplier Code of Conduct to our local suppliers with a view to have our top thirty local suppliers signed before the end of the next reporting period, with a complete risk assessment documented and in place.

We are also in the process of reviewing the local supplier onboarding process. We will be providing additional training and support to team members who work directly to onboard local suppliers and service providers to ensure there is a heightened level of supplier engagement particularly in relation to Modern Slavery risk assessment and improved supplier relationship management.

A man with dark, wavy hair and a light beard is sitting on the deck of a sailboat. He is wearing a white polo shirt and white shorts. He is looking towards the camera with a slight smile. The background shows the sailboat's rigging and the sea. The entire image has a blue tint. The word "Appendix" is written in a white serif font in the center of the image.

# Appendix

# Definitions

**Tier One Suppliers:** Manufacturers making finished goods to be shipped directly to the Brand.

**Tier Two Suppliers:** Textile suppliers, Fabric mills, Yarn spinners.

# Source Reference Material

**Anti-Slavery Australia:** [www.antislavery.org.au](http://www.antislavery.org.au)

**Baptist World Aid:** [www.baptistworldaid.org.au/resources/ethical-fashion-guide/](http://www.baptistworldaid.org.au/resources/ethical-fashion-guide/)

Ethical Fashion Report 2022

The Australian Ethical Consumer Report

**WalkFree:** [www.walkfree.org](http://www.walkfree.org)

Global Slavery Index

Spotlight -Stitched with Slavery in the Seams

Beyond Compliance in the Garment Industry

- i The Red Cross: Addressing Modern Slavery: A guide for Australian Business.
- ii Figure 3.1 Corporate structure GAZMAN FY2022/23.
- iii Table 3.2 Austin Employment Trust Employee breakdown FY2022/23.
- iv Anti Slavery Australia [www.antislaveryaustralia.org.au](http://www.antislaveryaustralia.org.au) Red Cross Addressing Modern Slavery A guide for Australian Business, [WalkFree.org](http://WalkFree.org) – Global Slavery Index.
- v Figure 3.3 GAZMAN Sourcing Locations FY22/23, based on supplier data AP21.
- vi Table 3.4 Goods manufactured in each country location as a % of the total goods purchased. Based on supplier data AP21.
- vii Table 3.5 tenure of Suppliers across Apparel, Accessories and Footwear.
- viii Anti Slavery Australia [www.antislaveryaustralia.org.au](http://www.antislaveryaustralia.org.au)
- ix Table 4.1 Industry risk assessment Australia – Anti Slavery Australia [www.antislaveryaustralia.org.au](http://www.antislaveryaustralia.org.au)
- x [WalkFree.org](http://WalkFree.org) – Global Slavery Index.
- xi Table 4.2\*\*Country Risk Assessment, (as outlined on [WalkFree.org](http://WalkFree.org) Global Slavery Index) refer to table.

Country of Manufacture	Walk Free Global Slavery index				Inherent Assessed Risk
	Prevalance	Vulnerability	Govt Response	Risk Ranking	Risk Overview
Australia	1.6	7/100	67/100 (equal highest ranking globally - along with the UK)	Overall Low	The second strongest response to Modern Slavery reporting worldwide (after UK). Strong criminal justice system minimises likelihood of Modern Slavery. At highest risk is migrant workers on temporary visas, primarily from migration agents or labour brokers, Along with seasonal workers who through language barriers and lack of knowledge of workplace regulations in Australia may be taken advantage of. \$469.8m of textiles imported into Australia annually from China highlights the very real risk of the potential for hidden modern slavery within this fibre supply chain
Bangladesh	7.1	58/100	49/100	Overall High	Bangladesh is among the most vulnerable countries to modern slavery in the Asia Pacific region. Vulnerability is largely driven by discrimination towards minority groups, displacement, violence, and limited monitoring and enforcement of labour laws. Government has shown strong response since 2018, however still has the highest prevalence of people in modern slavery falling within the Top 10 Globally. Garment industry workers are at particularly high risk, with female workers at risk of discrimination, intimidation, harassment, with this worsening substantially throughout COVID-19. Trafficking and forced labour is especially prevalent amongst Rohingya refugees fleeing Myanmar with young women and men at risk of trafficking into fish processing, domestic labour and the garment industry.
China	4	46/100	40/100	Overall Moderate	"China's central role in global production – it is the world's largest exporter of goods' – is a cause for concern as exports from China are increasingly at risk of being tainted by state-imposed forced labour. Since 2018, evidence of forced labour of Uyghur and other Turkic and Muslim majority peoples has emerged in the Xinjiang Uyghur Autonomous Region (Uyghur Region). GSI estimates that 5.8m people are living in modern slavery in China, second globally in number to India. Vulnerability to modern slavery in China largely derives from harmful and discriminatory government practices including state-imposed forced labour, organ harvesting, and forced marriage, which predominantly affect religious and ethnic groups. This is reflected by higher vulnerability scores for disenfranchised groups and governance issues. Internal migrant workers are also particularly vulnerable to exploitation in China. Unable to find work in their hometowns, rural populations migrate to urban areas such as Guangdong and Shanghai to take up low-paid jobs, becoming part of China's "floating population" of around 376 million. Compared to urban residents, internal migrants typically lack equal access to social benefits under the hukou (household registration) system, which restricts the provision of social benefits to citizens' registered residence. Despite some reforms to the system, rural migrants without local registration are denied access to public services, making it more difficult for them to make a decent living, particularly during the pandemic, widening social inequality."

Country of Manufacture	Walk Free Global Slavery index			Inherent Assessed Risk	
	Prevalance	Vulnerability	Govt Response	Risk Ranking	Risk Overview
India	8	56/100	46/100	Overall High	Estimates indicate there are up to 11.05m people living in Modern Slavery in India, primarily through forced labour and forced marriage. Risk areas include Governance, Inequality and a lack of basic needs. Those at the lower end of the caste system who have historically been disenfranchised. India is moving towards implementing a coordinated national and regional response to the issue, and seems to be more proactive than others in the Asia Pacific region. A key requirement for improvement is to provide equal access to services for all victims of modern slavery (gender, age, nationality, sexuality)
Indonesia	6.7	49/100	50/100	Overall Moderate	Has one of the strongest responses to Modern Slavery within the Asia Pacific region, having outlawed Forced marriage in 2022. The National Action Plan has a number of key initiatives amongst which is addressing modern slavery in supply chains, however discrimination against minority ethnic groups and poverty remain barriers. Imports US\$663.4 m worth of textiles from China, The risk of Forced labour is most prevalent in logging construction, mining and manufacturing with women and girls most at risk. Biggest risks Fishing industry and Palm Oil industry. Vulnerability to modern slavery in Indonesia is primarily driven by discrimination against minority groups. Indonesia is home to more than 2,300 indigenous groups, yet only around 1,300 are formally recognised by the government. Without legal recognition, these communities are deprived of collective land rights. For years, corrupt logging for palm oil and pulp plantations has displaced indigenous communities from their traditional lands, stripping them of their livelihoods, resources, and cultural identity. Dispossession places these communities at risk of exploitation as they search for new sources of income.
Vietnam	4.1	44/100	47/100	Overall Moderate	Whilst the prevalence of modern slavery is generally lower in Vietnam compared to other similar countries there is still inherent risks of Modern Slavery due to human trafficking from Vietnam as well risks with migrant populations and refugees entering Vietnam following conflicts in adjoining countries. More generally there is a relatively slow response from the government towards dealing with the issues more broadly, primarily through a more robust approach to Criminal Justice, and embedded social inequities and institutionalised systems that fail to address the key risk factors, however through the Tackling Modern Slavery from Vietnam Project (TMSV), there is a commitment to ensure survivors of modern slavery are identified and supported to remain out of Modern Slavery. Vietnam continued to systematically violate basic civil and political rights, the government, tightened restrictions on freedom of expression, association, peaceful assembly, movement, and religion with prohibitions remaining on independent labor unions, human rights organizations, and political parties. Organizers trying to establish unions or workers' groups face harassment, intimidation, and retaliation from employers and authorities.

- xii The Bangladesh Accord:  
2013 - 2018 Accord on Fire and Building Safety in Bangladesh  
2018-2021 Transition Accord  
2021 - current The International Accord for Health and Safety in the Textile and Garment Industry  
We currently have goods supplied from 2 finished goods suppliers in Bangladesh. One is a fully fashioned knitwear supplier that we use via their Parent company based in China. This facility has current certification under the RMG Sustainability Council (RSC) ensuring all buildings and electrical components meet the industry standards established for workplace safety and compliance.  
Footwear Supplier unknown.
- xiii All Supplier Documentation was updated in October 2021 and these 4 documents have replaced the previous GAZMAN Supplier Code of Conduct. Whilst we have been through an initial period of transferring all our suppliers to the updated code, we now have all current suppliers signed to the new documentation, and all newly onboarded suppliers going forward will be signed to the updated version (V1 October 2021).
- xiv Ethical Trade Initiative [www.ethicaltrade.org/eti-base-code](http://www.ethicaltrade.org/eti-base-code)
- xv United Nations International Labour Organisation [www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/](http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/)
- xvi Table 4.4 Supplier Code of Conduct - Country risk assessment guide to rankings.
- xvii Table 4.5 Supplier Code of Conduct - Country Risk Assessment.
- xviii [GlobalLivingWage.org](http://GlobalLivingWage.org) - Anker Methodology used as a guide where data is available and up to date.
- xix Our Manufacturers Restricted Substances List (MRSL) and Product Restricted Substances List (PRSL) are both based on key recommendations of both REACH European Union Hazardous Chemicals standards and the ZDHC requirements for Hazardous Chemical Discharge.  
[www.environment.ec.europa.eu/topics/chemicals/reach-regulation\\_en](http://www.environment.ec.europa.eu/topics/chemicals/reach-regulation_en)  
[www.roadmaptozero.com](http://www.roadmaptozero.com)
- xx Table 5.1 Austin Retail Discretionary Trust Codes and Policies (FY2022/23)
- \* As part of our ongoing review and implementation process, we will be updating our current Employee Code of Professional Conduct.

