



BARED FOOTWEAR

Voluntary Modern Slavery *Statement*

AUGUST 2023



This Modern Slavery Statement has been voluntarily prepared by Bared Trading Pty. Ltd. (ABN 60 606 777 164) ('Bared Footwear', 'Bared', 'we', 'our', or 'us') in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth) ('the Act') and refers to the reporting period of 1 July 2022 to 30 June 2023. Bared Footwear is the reporting entity for the purposes of the Act. This report is the first statement made by Bared Footwear under the Act and includes references to actions undertaken prior to the reporting period to contextualise where the business currently stands in managing slavery risks.

The registered office details are:

15 HAMILTON ST
OAKLEIGH, VIC 3166
AUSTRALIA

Acknowledgement of *Country*

This statement has been prepared on the unceded lands of the Boon Wurrung people of the Kulin Nation. Bared Footwear acknowledges and honours the Boon Wurrung people as the Traditional Custodians and Owners of the land on which we work and play.

We pay our deepest respects to Elders past and present as Traditional Custodians of this land, and extend that respect to all Aboriginal and Torres Strait Islander peoples throughout Australia, on whose Country our staff members live and work. We recognise Aboriginal and Torres Strait Islander peoples' continuing connection to land, skies, waters, culture and community, which has been passed down over the last 60,000 years.

We also acknowledge the colonial history of slavery in Australia, including blackbirding and forced labour, to which Aboriginal and Torres Strait Islander peoples were subjected up until the 1960s.

We acknowledge that the land on which we live always was and always will be Aboriginal land.

Statement from *Anna Baird*

Although it is impossible to accurately assess how many people are affected by modern slavery due to its invisibility and complexity, the 2023 Global Slavery Index (GSI) estimates that there are more than 49.6 million people in modern slavery globally.¹ Impacts of the COVID-19 pandemic, including the rise of mass unemployment and economic disruption, high debt, and limited social protections, mean that workers and their families are more vulnerable than ever to labour exploitation and human rights abuses.²

Bared Footwear is committed to the campaign to eradicate modern slavery in all forms. We are conscious that apparel and footwear is one of the industries most affected by modern slavery. As a footwear company, we are aware of the challenges posed by the risks of modern slavery practices and have found opportunities to further strengthen our commitment to its elimination.

This is our first Modern Slavery Statement. Over this reporting period, we have focused on improving visibility throughout our supply chains, and have made living wages for all our workers a priority. According to the 2022 Baptist World Aid Ethical Fashion Report, just 10% of fashion brands pay their factory workers a living wage. Bared has made a commitment to support every worker's opportunity to receive a living wage.³ We understand that this process must be collaborative, and we are proud to be working with third-party specialists to ensure ethical sourcing and ethical treatment of our workers.

We're fully aware that there is still much work to be done. Our team is dedicated to continually improving our processes and practices by questioning, investigating, listening, and learning. We're committed to promoting responsible and ethical business practices with all stakeholders, including employees, customers, and suppliers. At Bared Footwear, we're confident that we can make a significant impact in the fight against modern slavery and create a better future for all.

Anna Baird

Anna Baird
Founder & Director

This statement was approved by the
Board of Directors of Bared Trading Pty Ltd on
24th August 2023.



¹ [globalslaveryindex.org](https://www.globalslaveryindex.org/); ² ourworld.unu.edu; ³ baptistworldaid.org.au.



Introduction: Our structure, operations, and supply chain

Bared Footwear is a leading Australian footwear brand. Founded by Anna Baird in 2008, the brand offers premium quality, stylish footwear without sacrificing comfort. Each Bared design features a unique footbed that stabilises and cushions your feet, promoting proper foot function and providing added support.

Bared Footwear is an Australian-owned private company with 177 staff members in Australia. As of June 30th 2023, the brand has five retail stores and one warehouse located in Victoria, Queensland, and New South Wales. The Board comprises one non-executive and two executive members.

Bared Footwear offers a comprehensive range of footwear, shoe care, belts, and socks for men and women. The majority of our sales are made through our Australian and international websites, and our products are exclusively available through our brick-and-mortar stores and online platforms. We do not sell wholesale.

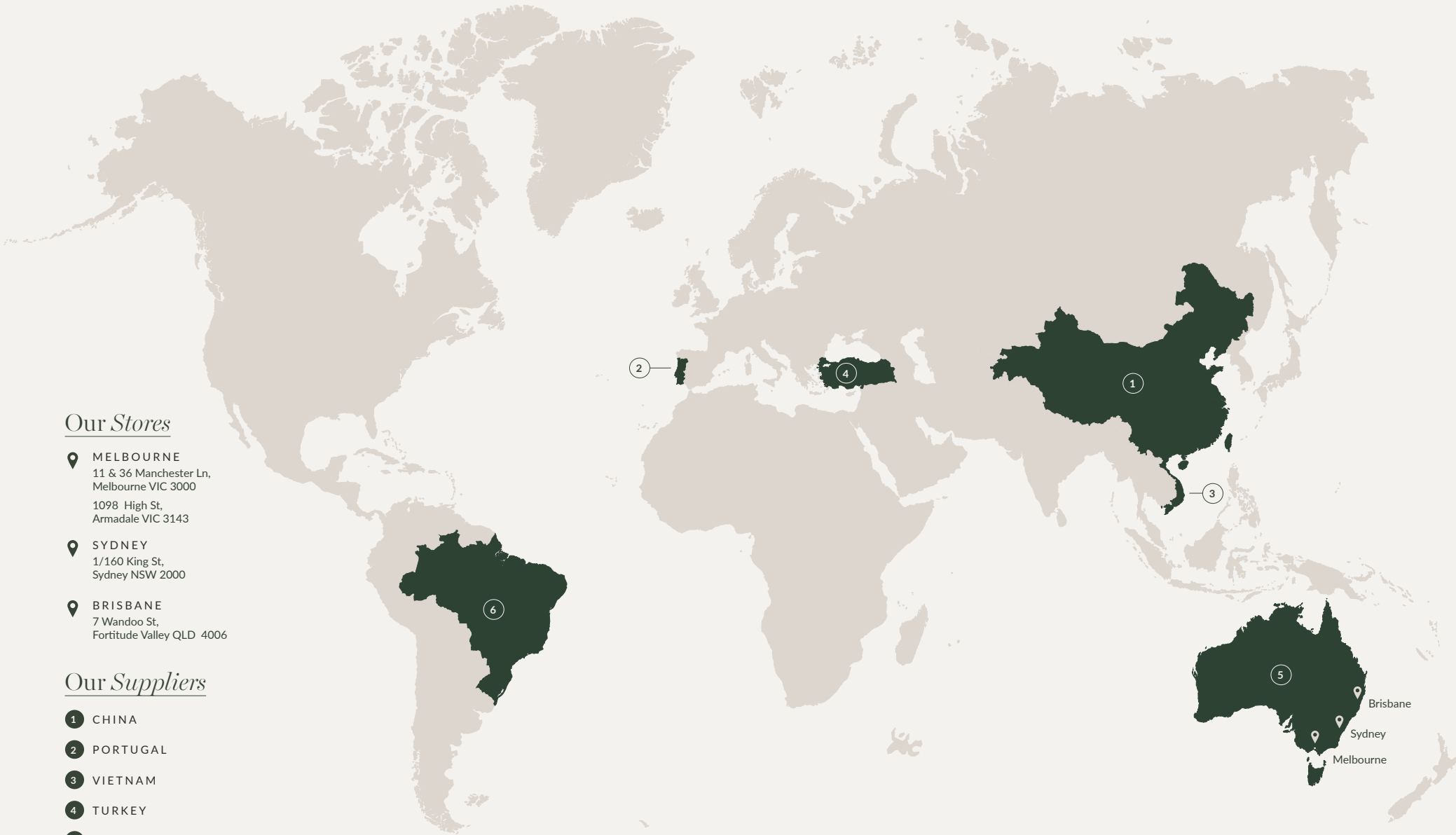
177
Staff Members
Across Australia

5
Retail Stores
In Victoria, New South Wales & Queensland

3
Board Members
One Non-Executive & Two Executive

1
Warehouse
In Victoria

Bared Footwear products are designed in Melbourne, Australia and manufactured by highly specialised suppliers located in China, Portugal, Vietnam, Turkey, and Australia, and historically in Brazil. When selecting suppliers, we prioritise quality workmanship, fair labour standards, and strong environmental practices, as well as our ability to work together effectively. We have established strong commercial relationships with all our suppliers and engage in regular dialogue regarding forward-planning and workflow, ensuring we have adequate staffing for busier periods. Our focus is on building strong, long-term partnerships with our suppliers that are mutually beneficial.



Our Stores

- 📍 MELBOURNE
11 & 36 Manchester Ln,
Melbourne VIC 3000
1098 High St,
Armadale VIC 3143
- 📍 SYDNEY
1/160 King St,
Sydney NSW 2000
- 📍 BRISBANE
7 Wandoo St,
Fortitude Valley QLD 4006

Our Suppliers

- 1 CHINA
- 2 PORTUGAL
- 3 VIETNAM
- 4 TURKEY
- 5 AUSTRALIA
- 6 BRAZIL

Bared Footwear also participates in charitable activities and partners with local organisations, to increase community support and to enhance our social and environmental impact.



Since 2019, we have partnered with The Hunger Project (THP),⁴ a non-profit organisation dedicated to ending hunger and poverty through pioneering sustainable, grassroots, women-centred strategies in underprivileged communities throughout Sub-Saharan Africa, South Asia, and Latin America. We have created three unique sneaker designs in collaboration with THP, with \$50 from each purchase donated to the charity.



We are proud to collaborate with Children's Ground,⁵ an organisation that empowers First Nations children and families in the Northern Territory. Since 2020, we have engaged talented First Nations artists and showcased their artwork on our sneakers, similarly with \$50 from each purchase going to Children's Ground. Previously, we have worked with Barkindji artist Caitlyn Davies, Bundjalung artist Brad Turner, Gamilaroi Ularoi/Yuwaalaraay artist Lakkari Pitt, and Warumungu/Arrernte artist Christinaray Weetra, whose original artworks we also purchased, auctioned, and donated all proceeds to the charity.



Bared Footwear responds to local environmental disasters. In 2020, we donated \$15,000 to the Salvation Army Disaster Relief ⁶ to support victims of the VIC/NSW bushfires. In 2021, we also donated 500 pairs of Bared Footwear sneakers to victims of the NSW/QLD floods.



We are committed to offsetting our carbon emissions and have partnered with Greenfleet,⁷ a not-for-profit environmental organisation focused on protecting the climate by restoring native forests. to plant thousands of native species. Our dedication of \$95,000 towards planting thousands of native species will offset 5,380 tonnes of carbon.

⁴ thp.org.au; ⁵ childrensground.org.au; ⁶ salvationarmy.org.au; ⁷ greenfleet.com.au.

During the reporting period, our workforce consisted of approximately 1122 people across our Tier 1 suppliers. Our primary supplier is a family-owned and run business that has worked exclusively for Bared for the last ten years, who manufactured approximately 79% of our products this financial year. Our other suppliers in China, Portugal, Vietnam, Turkey, Brazil, and Australia also create products for other brands around the world.

We define our *Tiers 1-6* as follows:

- TIER 1
Final product manufacturing and assembly.
- TIER 2
Component manufacturing.
- TIER 3
Leather manufacturing - tannery to farm.
- TIER 4
Textile manufacturing.
- TIER 5
Raw material production, eg farms.
- TIER 6
Manufacturing of associated packaging materials.



The table below shows our production by volume across our Tier 1 suppliers over the July 2022-June 2023 financial year.

TIER 1 SUPPLIERS	# OF SUPPLIERS	TYPE	% BY VOLUME	LOCATION
Footwear	8	Women's	78.89%	Guangdong Province, China
		Men's	4.88%	Porto District, Portugal
		Women's	4.51%	Guangdong Province, China
		Women's	3.01%	Rio Grande do Sol, Brazil
		Women's	2.57%	Zhejiang Province, China
		Women's	0.57%	Ho Chi Minh City, Vietnam
		Men's	0.08%	Aveiro District, Portugal
		Men's & Women's	0.00%*	Melbourne, Australia
Accessories	4	Belts	0.11%	Istanbul, Turkey
		Socks	0.46%	Zhejiang Province, China
		Shoe care	4.8%	Melbourne, Australia
		Shoe care	0.1%	Melbourne, Australia

*We use an Australian supplier for our At Home collection (slippers and home boots), however in the 22-23 FY we were overstocked and made no new orders with this supplier. We have included their information in this report to capture the slavery risks in using this supplier, as they are an approved manufacturer and we will continue to make orders with them when necessary.



Risks of modern slavery practices in *Bared Footwear* operations and supply chains

Bared Footwear has carried out risk assessments to identify any risks that we may be causing, contributing, or directly linked to modern slavery practices in our operations and supply chains over the reporting period. We understand modern slavery as the Act⁸ defines it - eight types of serious exploitation, including:

- TRAFFICKING IN PERSONS
- SLAVERY
- SERVITUDE
- FORCED MARRIAGE
- FORCED LABOUR
- DEBT BONDAGE
- DECEPTIVE RECRUITING FOR LABOUR OR SERVICES
- CHILD LABOUR

We examined potential risks in the following categories:

- INDUSTRY
- PRODUCT & SOURCING OF MATERIALS
- ENTITY
- LOCATION

⁸ [Modern Slavery Act 2018 \(Cth\)](#)

Industry Risks

There is an inherent risk of modern slavery in the footwear and apparel manufacturing industry, as the fashion supply chain is one of the largest and most complex supply networks. The rapidity of production in fast fashion has put more pressure on supply chains and created greater reliance on low-cost labour in Asia.⁹ According to the 2018 GSI, US\$127.7 billion worth of garments are at risk of having modern slavery practiced within their supply chain.¹⁰ Excluding electronics, the apparel and footwear industry funnels more money towards modern slavery than any other industry.¹¹

Footwear is especially complex, due to the extensive amount of components and processes. One shoe can require up to 65 separate parts and close to 360 assembly steps, making the supply chain longer and more opaque, and the slavery risks higher.¹²

Sourcing Risks

Full visibility over our supply chain is currently limited to Tier 1. We have direct relationships with these suppliers, maintain daily communication, and have audit programs in place. There is very minimal risk of modern slavery across this tier. While we have full visibility over Tier 1 suppliers, Bared Footwear could be linked to modern slavery practices through our supply chain. We acknowledge that we also do not have full visibility over Tiers 2-6, which carry further risks of modern slavery practices.

Bared Footwear has limited visibility into Tiers 2 and 3. We have traced 100% of Tier 2 and 3 suppliers, but do not have direct communication with these suppliers or directly audit their facilities. We have very limited visibility into Tiers 4 and 5 and are currently in the stages of tracing these suppliers. These tiers are an identified area of improvement, as the risks of modern slavery are much more prominent in these tiers that are less transparent.

We have traced 100% of Tier 6 suppliers and have direct relationships with them, however we do not audit their facilities.

⁹ www.ilo.org; ¹⁰ walkfree.org; ¹¹ *ibid*; ¹² baptistworldaid.org.au.

Location Risks

Over the reporting period, we have made products in China, Portugal, Vietnam, Australia, Turkey, and Brazil.



COUNTRY	RISK LEVEL	FURTHER INFORMATION
China	High	<p>There is a high risk of modern slavery in China with four victims for every thousand people.¹³ Forced labour is common in the production of cheap goods for export, which has been foundational to China’s economic development and its position as the world’s second largest economy.¹⁴</p> <p>Forced labour occurs in areas with high rates of poverty. The international extreme poverty line (as established by the World Bank) currently stands at \$USD2.15 per day,¹⁵ and although China has reportedly eradicated extreme poverty,¹⁶ there are still millions of people living in poverty on less than \$USD6.85 a day.¹⁷ Workers who cannot fulfill basic subsistence needs with their income are more vulnerable to exploitation.</p> <p>Risk of forced labour is potentially present at all levels of supply chain in China (including raw materials at farm level) due to the internment of minority Uyghur communities and labour from incarcerated people, as described in the Product section below. Products made in this environment are exported throughout Chinese and global supply chains and are difficult to trace once they have been incorporated into different goods. Human rights groups found in 2020 that cotton produced in camps in the Xinjiang region finds its way into one in five cotton products worldwide.¹⁸</p> <p>There are also governance issues to consider in China and Chinese supply chains. The state exercises a high level of control over workers, and limits their union activity while prohibiting most forms of collective bargaining. The All-China Federation of Trade Unions (ACFTU) is the only authorised trade union in the country and operates under the control of the Chinese Communist Party. Curbed rights of freedom of association heighten the risk of worker exploitation that could lead to forms of modern slavery.¹⁹</p> <p>During the COVID-19 pandemic, lockdowns and other measures taken by the government to control the virus have prevented external monitoring of work sites, also increasing the vulnerability of workers and curtailing freedoms of association and expression.</p> <p>Chinese textile firms have also been reported to import workers and employ factories in North Korea, breaching UN sanctions by sourcing from state-sponsored forced labour.^{20 21}</p>

¹³walkfree.org; ¹⁴worldbank.org; ¹⁵worldbank.org; ¹⁶worldbank.org; ¹⁷worldbank.org/; ¹⁸ csis-website-prod.s3.amazonaws.com; ¹⁹ walkfree.org; ²⁰ reuters.com; ²¹ theguardian.com.

COUNTRY	RISK LEVEL	FURTHER INFORMATION
Brazil	High	<p>There is a high risk of modern slavery in Brazil, where there are five victims for every thousand people.²² Debt bondage and child labour occur at high rates in Brazil. The Brazilian Institute of Geography and Statistics estimates that approximately 1.5 million people in Brazil are bonded labourers and more than 2.7 million minors (from ages five to 17) work in Brazil.²³</p> <p>There are high rates of poverty in Brazil, making 62.5 million Brazilians who live below the poverty line vulnerable to labour exploitation.²⁴ Poverty is also a root cause of child labour.</p> <p>Brazil's strong anti-slavery legislation has been significantly weakened under the Bolsonaro administration. Brazilian labour reform legislation passed in 2017 deregulated workers' rights, increased protections for employers, and restricted the ability of trade unions.²⁵ Since then the government has continued to erode workers' rights by weakening regulatory bodies, allowing impunity for labour rights violators, and reducing social welfare services.²⁶ These kinds of reduced protections for workers can create and enable conditions of forced labour.</p>
Portugal	Medium	<p>Portugal has a moderate risk of modern slavery, with 3.8 victims for every thousand people. Most modern slavery cases occur within the agricultural sector.²⁷ Migrants are brought to Portugal by human trafficking networks posing as intermediary migration agencies, work in agriculture and are required to pay their wage back to the network as 'fees', trapping them in a cycle of modern slavery.²⁸</p> <p>The GSI measured governments' efforts in combating modern slavery through an analysis of legal, policy, and programmatic actions taken to address risks associated with this issue. Portugal received a score of 67%, the equal second highest ranking globally, and in the top three ranks in Europe.²⁹</p>

²² walkfree.org; ²³ inequality.org; ²⁴ agenciabrasil.ebc.com; ²⁵ oecdwatch.org; ²⁶ mneguidelines.oecd.org; ²⁷ globalslaveryindex.org; ²⁸ business-humanrights.org; ²⁹ walkfree.org.

COUNTRY	RISK LEVEL	FURTHER INFORMATION
Vietnam	High	<p>There is a high risk of modern slavery in Vietnam, with 4.1 victims for every thousand people. Vietnam is a hot spot for human trafficking and child labour - 80% of human trafficking victims are women and children.³⁰ There are approximately 420,000 victims of modern slavery currently living in Vietnam.³¹</p> <p>The apparel and footwear industry makes up a significant part of the Vietnamese economy. Many workers are exposed to forced labour practices due to the widespread absence of full terms and conditions of employment in work contracts. Young workers are especially vulnerable to modern slavery practices, as age verification systems and recordkeeping practices are unreliable and insufficient, making child labour a risk.³² The COVID-19 pandemic has increased workers' vulnerability through insecurity, lockdowns and layoffs, which forced people to take greater risks to obtain work.</p> <p>There is also evidence of forced labour in Vietnamese drug rehabilitation centres, where inmates may be forced to work as part of their recuperation.³³</p>
Turkey	Very High	<p>Turkey has a very high risk of modern slavery, with 15.6 victims for every thousand people.³⁴ Turkey has the highest prevalence of modern slavery of all countries within Europe and Central Asia, and ranks fifth globally.³⁵</p> <p>Migrant workers and refugees are at high risk of modern slavery practices. In the garments and footwear sector there is a heavy reliance on informal employment and cheap labour that is often outsourced to sub-contracting facilities that informally employ refugees and migrants and operate with limited oversight. Turkey hosts the highest population of refugees in the world, and an estimated 400,000 refugees and migrants from Syria, Uzbekistan, and Afghanistan are informally employed in the fashion industry. Informal employment allows vulnerable workers to be underpaid, discriminated against, overworked, and threatened with termination for non-compliance.</p> <p>Turkey is also among the countries taking the least action to respond to modern slavery - the government has yet to take any concrete steps towards ending modern slavery. This includes failing to introduce laws or policies that mandate businesses to report their actions in implementing risk minimisation policies, or enacting mandatory human rights due diligence legislation. There are also several forms of modern slavery that are not criminalised, such as forced marriage.</p>

³⁰ freetheslaves.net; ³¹ walkfree.org; ³² betterwork.org; ³³ walkfree.org; ³⁴ walkfree.org; ³⁵ ibid.

COUNTRY	RISK LEVEL	FURTHER INFORMATION
Australia	Low	<p>Australia has a low risk of modern slavery with 0.6 victims for every thousand people.³⁶ The country has a high level of transparency and low levels of corruption according to Transparency International,³⁷ as well as robust anti-slavery and workers' protection legislation.</p> <p>In the GSI measurements of national efforts to end modern slavery, Australia achieved a score of 67%. This makes it the highest ranking country in the Asia-Pacific region, and joining Portugal as the equal second highest ranking globally, closely following the United Kingdom.³⁸</p> <p>Recorded cases of modern slavery in Australia have occurred predominantly within the agricultural industry and have involved exploitation of migrant workers.³⁹</p>

³⁶walkfree.org; ³⁷globalslaveryindex.org; ³⁸walkfree.org; ³⁹walkfree.org.



Product Risks

Our products are crafted with many different materials and components, each of which have their own risk depending on where they are made and the labour practices there. We have determined that the highest risk of modern slavery in our supply chain lies in the production of the following materials:

- LEATHER
- RUBBER
- SUGARCANE
- COTTON

We also use a small amount of steel in our footwear, as well as synthetic materials such as polyester, satin, and nylon, and plastics such as polyurethane, polyol, TPU, and ABS. We also use 100% biobased materials developed by green chemistry platform Natural Fibre Welding. There are no known associated slavery risks with these materials.

MATERIAL	USE	RISK	FURTHER INFORMATION
Cotton	We use cotton in our linings and threads.	Forced labour	There is a risk of forced labour for cotton produced in China due to the use of internment camps in Xinjiang. 80% of cotton in China is sourced from the Xinjiang region, which constitutes 20% of global cotton production. ⁴⁰ Cotton, yarn, and textiles produced in this region are used in supply chains throughout China, and are then incorporated into finished products in other parts of China and Asia.
Leather	We use leather for a majority of our uppers.	Forced labour Debt bondage	China and Brazil are amongst the biggest leather exporters in the world. Forced labour has been found in leather tanneries in China and Brazil, as well as in the Brazilian cattle industry. ⁴¹ Debt bondage is also common in Brazilian cattle ranches, wherein a person's services are given as repayment for a debt. Men are brought to plantations by labour brokers and have to pay off a 'debt' that has no end. ⁴²
Sugarcane	We have used sugarcane in footbeds in part of our range as a biodegradable alternative to polyurethane.	Forced labour Child labour Debt bondage	The production of sugarcane carries a significant risk of modern slavery, with cases of forced and child labor being documented in Brazilian sugarcane plantations. ⁴³ Forced labour is rampant in the sugarcane industry. Sugarcane is used to make a variety of products such as raw sugar, ethanol, bioelectricity, and bioplastics. Cases of child labour and forced labour are well documented in this industry, most often in the form of bonded labour. ⁴⁴ There is evidence that children ages 14 to 17 cultivate sugarcane in Brazil. ⁴⁵
Rubber	We use natural rubber across our range in soles and uppers.	Forced labour Child labour Debt bondage	Similar to sugarcane production, cases of forced and child labour have been documented in rubber plantations in Brazil. ⁴⁶ Most Brazilian rubber in the global supply chain is tapped from trees in the Amazon. There are high instances of debt bondage found in this area, and workers have historically been exploited in the Brazilian rubber industry. The debt bondage economy was first introduced in the Amazon in the 19th century rubber boom and continues today, despite changes in labour laws. ⁴⁷

⁴⁰ [csis-website-prod.s3.amazonaws.com](https://www.csis-website-prod.s3.amazonaws.com/); ⁴¹ [theguardian.com](https://www.theguardian.com/); ⁴² *ibid*; ⁴³ [context.news](https://www.context.news/); ⁴⁴ *ibid*; ⁴⁵ [ilo.org](https://www.ilo.org/); ⁴⁶ [inequality.org](https://www.inequality.org/); ⁴⁷ *ibid*.

Entity Risks

There are negligible risks of modern slavery within Bared Footwear's local operations. Head office in Melbourne oversees the warehouse and stores, ensuring full visibility over all operations. All directly employed staff in Australia are compensated and treated in keeping with strong Australian legislation regarding employment rights and human rights, including the Fair Work Act 2019, the Occupational Health and Safety Act 2004, and the Protected Disclosures Act 2000. We support employees as well as facilitate protected disclosures through maintenance of internal best practices, systems and policies, as required by law. However, the substantial physical distance between head office in Australia and supplier locations internationally means that there is limited visibility in various aspects of the supply chain.

Bared Footwear purchases goods and services that are used in day-to-day operations - non-saleable items such as furniture, computers and IT equipment, software, post satchels and boxes, warehousing machinery and equipment, kitchen appliances, cleaning products, etc. Bared Footwear attempts to purchase from companies and social enterprises that align with our values. We consider our greatest risks to be in our own product supply chain, however there is also modern slavery risk in the supply chains of these products.

Bared Footwear primarily uses Australia Post and DHL for shipping and delivery of our products to customers, and TVS and Seaway for freight. Each of these organisations has policies and programs in place to identify, prevent and remedy any modern slavery risks in their operations. These are further described in their respective Modern Slavery Statement. TVS⁴⁸ and Seaway⁴⁹ have produced statements pursuant to the United Kingdom Modern Slavery Act 2015,⁵⁰ whereas the statements made by AusPost⁵¹ and DHL⁵² are in accordance with the Australian legislation.

⁴⁸ [tvssc.com](https://www.tvssc.com); ⁴⁹ [seawaylogistics.co.uk](https://www.seawaylogistics.co.uk); ⁵⁰ [Modern Slavery Act 2015](https://www.modernslaveryregister.gov.au); ⁵¹ [modernslaveryregister.gov.au](https://www.modernslaveryregister.gov.au); ⁵² [modernslaveryregister.gov.au](https://www.modernslaveryregister.gov.au); ⁵³ [fairlabor.org](https://www.fairlabor.org)



Actions taken by *Bared Footwear* to assess and address risks of modern slavery

FLA Workplace *Code of Conduct*

Since November 2021, each of our tier 1 suppliers are signatories of and must adhere to the Fair Labor Association (FLA) Workplace Code of Conduct.⁵³ The Code defines labour standards that aim to achieve decent and humane working conditions. The Code's standards are based on International Labor Organization (ILO) standards and internationally accepted good labour practices. The Code specifically prohibits forced labour, child labour, and harassment and abuse.

Affiliation with the FLA means that Bared Footwear needs to comply with all relevant and applicable laws and regulations of the country in which workers are employed and to implement the Code in our facilities. Our suppliers in China, Portugal, Vietnam, Australia (and previously in Brazil) each comply with the Code as proven in our external auditing.

If Code standards are not met, we work to make improvements and to develop sustainable mechanisms to ensure ongoing compliance. We use this Code as it is an internationally recognised standard for good working conditions, and so that we are prioritising collaboration, accountability, and transparency in our facilities.

⁵³ [fairlabor.org](https://www.fairlabor.org/);

External Auditing

Bared Footwear works to ensure the workers in our supply chain are guaranteed a safe, respectful, ethical, and legal working environment. We conduct annual audits of our Tier 1 suppliers to verify that each meets the requirements stated in our Code of Conduct. If a non-compliance is identified, we work collaboratively with our suppliers to ensure that corrective actions are implemented within an agreed timeline depending on the severity of the issue. A re-audit is then completed to verify that the necessary corrective actions have been implemented. We also accept audit reports commissioned by other organisations who use the same suppliers, provided that the audit framework adopted meets our standards, that we have access to the audit findings and corrective action plans, and that they are not older than 12 months.

Before the current reporting period we performed social and environmental third-party audits through Qualspec⁵⁴ in all tier 1 suppliers. Qualspec is a globally accredited specialist in quality control in the textile and fashion industry that meets ISO 9001 standards. The Qualspec social compliance audit assessed our manufacturers' compliance with our Code of Conduct, local labour laws and internal social standards. Through analysis of documentation and randomised interviews with workers, the audit confirmed that our factories behave in accordance with our Code of Conduct, local labour laws, and international labour norms. It also showed that workers have the right to freedom of association, are compensated for overtime, paid with understandable payslips and in accordance with local labour laws, and are not subject to intimidation or discrimination. We received no reports or found any evidence to suggest any type of modern slavery in our audited tiers of supply chain.

Over the reporting period, we have been working in partnership with Intertek,⁵⁵ a global industry leader in total quality assurance that uses the pillars of Assurance, Testing, Inspection, and Certification to take a more holistic, risk-based approach. We currently have two audit programs running with Intertek:

- WORKPLACE CONDITIONS ASSESSMENT
- LIVING WAGE AUDIT PROGRAM

The Workplace Conditions Assessment (WCA) Human Rights Focused Audit with an additional checklist attached is conducted annually and is a powerful tool for evaluating and continuously improving supplier workplace conditions. The assessment protocol is updated on an ongoing basis to incorporate changing trends in the industry, allowing for closer alignment with industry norms, best practices, and valuable customer feedback.

⁵⁴ qualspec.com.au; ⁵⁵ intertek.com.



In the audit, 100% of workers' records are reviewed, and minimum 20 workers are interviewed. All worker interviews are confidential. All of the workers' payroll records are also reviewed, and payrolls are cross checked with cash books and bank records. Audits are semi-announced with a two week window, to give each facility some time to prepare the relevant records.

Relevant modules of the Workplace Conditions Assessment programme include:

- LABOUR
 - Child labour
 - Forced labour
 - Discrimination
 - Discipline, harassment or abuse
 - Freedom of association
 - Employment contracts
- HOURS & WAGES
 - Wages and benefits
 - Working hours
- MANAGEMENT SYSTEMS
 - Systems policies and processes
 - Documentation and records
 - Worker participation
 - Corrective action

We have also worked in collaboration with Intertek to develop the Living Wage Audit Program, a first-of-its-kind program that takes a holistic, risk-based approach. This program involves bimonthly audits on our major suppliers to ensure true transparency on workers' wages, hours and conditions. Our main objective with this program is to ensure all workers receive a living wage.

Our primary supplier began the pilot program in May 2023. The audit captured results from February and March, and corroborated that all salaries less than 3235 RMB per month were increased to 3235 RMB.

Living Wage

A living wage should cover a decent standard of living for the worker and their family. The Global Living Wage Coalition (GLWC) defines Living Wage as the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and their family.⁵⁶ Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for unexpected events.

During the reporting period, Bared Footwear has commenced work to implement living wages in our supply chain through the Living Wage Audit Program detailed above.

TIER 1 FACTORIES	TYPE	% BY VOLUME	WORKERS AT FACILITY	DATE ONBOARDED	PROGRESS TO LIVING WAGE
China Guangdong	Footwear	78.89%	83	September 2012	<ul style="list-style-type: none"> - October 2022: most recent yearly audits conducted which confirm all workers are paid the legal minimum wage. - December 2022: all workers had their working week reduced to six days. - February 2023: a living wage was introduced for all workers. - May 2023: all workers have a maximum of 40 hours work week with no more than 36 hours of overtime per month.
China Guangdong	Footwear	4.51%	30	August 2018	<ul style="list-style-type: none"> - October 2022: most recent yearly audits conducted which confirm all workers are paid the legal minimum wage. - December 2022: all workers had their working week reduced to six days. - March 2023: a living wage was introduced for all workers. - May 2023: all workers have a maximum of 40 hours work week with no more than 36 hours of overtime per month.

⁵⁶ globallivingwage.org.

TIER 1 FACTORIES	TYPE	% BY VOLUME	WORKERS AT FACILITY	DATE ONBOARDED	PROGRESS TO LIVING WAGE
China Guangdong	Footwear	2.57%	248	December 2020	<ul style="list-style-type: none"> - May 2022: most recent audits conducted which confirm all workers are paid the legal minimum wage. - December 2024: We are working towards providing a living wage at this factory by this date.
China Zhejiang	Accessories	0.46%	80	May 2020	<ul style="list-style-type: none"> - November 2022: most recent audits conducted which confirm all workers are paid the legal minimum wage. - We are working towards providing a living wage at this factory by December 2024.
Portugal Felgueiras	Footwear	4.88%	84	July 2021	<ul style="list-style-type: none"> - October 2022: most recent audits conducted which confirm all workers are paid a living wage. <p><i>Factory was already paying workers a living wage at onboarding.</i></p>
Portugal Aveiro	Footwear	0.08%	47	September 2022	<ul style="list-style-type: none"> - November 2022: most recent audits conducted.
Vietnam	Footwear	0.57%	493	October 2022	<ul style="list-style-type: none"> - May 2023: most recent audits conducted which confirm all workers are paid a living wage. <p><i>Factory was already paying workers a living wage at onboarding.</i></p>

TIER 1 FACTORIES	TYPE	% BY VOLUME	WORKERS AT FACILITY	DATE ONBOARDED	PROGRESS TO LIVING WAGE
Turkey	Accessories	0.11%	19	September 2022	- April 2023: most recent audits conducted.
Australia Melbourne	Footwear	0.00%	25	April 2020	- February 2023: most recent audits conducted which confirm all workers are paid a living wage. <i>Factory was already paying workers a living wage at onboarding.</i> <i>Factory workers are paid according to the Textile, Clothing, Footwear and Associated Industries Award [MA000017].⁵⁷</i>
Australia Melbourne	Accessories	4.8%	13	July 2021	- 2022: most recent audits conducted which confirm workers are paid a living wage. <i>Factory was already paying workers a living wage at onboarding.</i> <i>Factory workers paid according to the Manufacturing and Associated Industries and Occupations Award 2020 [MA000010].⁵⁸</i>
Australia Melbourne	Accessories	0.1%	100	July 2008	- 2022: most recent audits conducted which confirm workers are paid a living wage. <i>Factory was already paying workers a living wage at onboarding.</i> <i>Factory workers paid according to the Manufacturing and Associated Industries and Occupations Award 2020 [MA000010].⁵⁹</i>

⁵⁷ [fairwork.gov.au](https://www.fairwork.gov.au); ⁵⁸ [fairwork.gov.au](https://www.fairwork.gov.au); ⁵⁹ [fairwork.gov.au](https://www.fairwork.gov.au).



Certifications

Bared Footwear takes care to use materials that are certified by third party assessments. While these are primarily environmental and not specifically social accreditations, many of them have social criteria which allows us greater confidence in the sourcing of these components.

CERTIFICATIONS	PRODUCT	INFORMATION	BARED FOOTWEAR
Global Organic Textile Standard (GOTS) ⁶⁰	Cotton	<p>GOTS is the global leading textile processing standard for organic fibres, supported by independent third-party certification of the entire textile supply chain. Certification requires compliance with social and environmental criteria. Social criteria include:</p> <ul style="list-style-type: none"> - Employment is freely chosen. - Worker's rights to freedom of association and collective bargaining. - Child labour shall not be used. 	100% of virgin cottons used in Bared Footwear products in the 2022-2023 financial year are GOTS certified.
Global Recycle Standard (GRS) ⁶¹	Recycled content	<p>The GRS sets the criteria for third-party certification of recycled materials and chain of custody. The GRS guidelines require a minimum of 50% recycled content and additional social and environmental requirements related to processing and chemical usage. Social criteria include:</p> <ul style="list-style-type: none"> - Prohibition of forced and child labour. - The rights to freedom of association and collective bargaining. 	100% of recycled cottons and polyesters used in Bared Footwear products in the 2022-2023 financial year are GRS certified.

⁶⁰ [global-standard.org](https://www.global-standard.org/); ⁶¹ [textileexchange.org](https://www.textileexchange.org/).

CERTIFICATIONS	PRODUCT	INFORMATION	BARED FOOTWEAR
Leather Working Group (LWG) ⁶²	Leather	<p>LWG is a not-for-profit organisation responsible for the world’s leading environmental certification for the leather manufacturing industry. LWG Leather Manufacturer Audits include social criteria such as:</p> <ul style="list-style-type: none"> - No forced, bonded and prison labour. - No child labour. - Freedom of association and effective recognition of the right to collective bargaining. - No discrimination, harassment or abuse. 	100% of leather used in Bared Footwear products in the 2022-2023 financial year came from certified LWG tanneries.
Forest Stewardship Council (FSC) ⁶³	Paper, rubber, wood pulp	<p>FSC is the global leader in sustainable forestry. FSC-certified goods are sourced sustainably and responsibly, while protecting biodiversity and without contributing to deforestation.</p> <p>FSC certification also includes social criteria including:</p> <ul style="list-style-type: none"> - Fair wage and work environment. - Community rights, including the rights of indigenous peoples. 	<ul style="list-style-type: none"> - 43.8% of our rubber soles are FSC certified. - 100% of the cardboard in our shoeboxes is FSC certified. - 100% of our plastic-free anti-mould packs are packaged in FSC-certified kraft paper.

⁶² leatherworkinggroup.com ⁶³ fsc.org.



B Corp Certification

Bared Footwear became a Certified B Corporation⁶⁴ in December 2021, through exceeding verified standards of social and environmental performance, transparency, and accountability. B Corp Certification is managed by B Lab, a not-for-profit network aiming to transform the global economy to benefit all people, communities and the planet.

B Corps require a business structure that considers all stakeholders and business partners, making decisions that balance profit and purpose. As a company, we are required to consider the impact of our decisions on our employees, customers, community, and the environment.

We completed the B Impact Assessment which comprises over 200 detailed and open-ended questions about the company split across 5 key categories – Governance, Workers, Customers, Community, and the Environment. All questions were verified using credible and verifiable documents, which were then examined by B Lab and an additional 3rd party team in the USA. We received a score of 95 points, 15 points above the minimum score for certification. We received a score of 20.2 for the Workers category and 14.6 for Governance.

The Assessment also identifies whether the company has or is involved with any potentially sensitive industries, practices, outcomes, or fines and sanctions. Compliance with these rules are a requirement for B Corp eligibility. In the assessment we declare that

- WE DO NOT UTILISE ANY PRACTICES THAT HAVE NEGATIVE IMPACTS ON HUMAN RIGHTS OR LABOUR CONDITIONS;
- NO WORKERS ARE CURRENTLY PRISONERS OR ARE UNDERAGE;
- ALL WORKERS HAVE THE LEGAL RIGHTS TO WORK IN THE JURISDICTION OF OPERATIONS;
- OUR WORKERS HAVE THE RIGHT OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING.

These claims are proven via our audits and were verified by B Corp.

⁶⁴ [bcorporation.net](https://www.bcorporation.net).

Geographical move

In July 2021, we moved our men's range production in its entirety from China to Portugal. All components in our men's range are sourced within Western Europe, with the exception of our footbeds and hemp bag packaging. There is a lower risk of modern slavery practices associated with this area.

Within the reporting period, we ceased all end-stage production in Brazil, thus removing the geographical risk posed by the Brazilian supply chain from our production.

Fashion Declares

In June 2022, we became signatories to the open letter showing our support for and commitment to the goals of the Fashion Declares movement. Fashion Declares⁶⁵ are a bottom-up movement of people in the fashion industry who are taking effective action in the climate, ecological and social crisis. The letter makes demands for workers' rights, including living wage, gender equality, and eradication of systemic racism. The letter calls for companies to take responsibility for human rights due diligence, ensuring living incomes for workers, the right to unionisation, diversity and inclusion, and fair taxation. It also makes demands for new enforceable legislation around transparency in supply chains and public disclosures of all tiers. We publicly signed this letter to be transparent about our mission and to further demonstrate our commitment to social justice through fashion.

⁶⁵ fashion-declares.org.

Supply chain management system

Supply chain transparency is crucial to achieving systemic change in the global fashion industry and to the eradication of modern slavery. In May 2022, we began using the Our Supply Chain (OSC) platform, an end-to-end system that enables us to manage supplier data, material compliance, and certifications. We intend to use this tool to map every aspect of our supply chain, which will illuminate further modern slavery risks in Tiers 2 and beyond.

OSC maps the supply chain using information gathered from product breakdown documents. Material composition, supplier names and countries, and any certifications of materials are uploaded into the system which creates a map of the visible supply chain, as well as estimations of how much there is left to be traced. It also manages contracts, audits, and corrective action plans.

Gaining visibility into the supply chain enhances our ability to monitor and improve suppliers' environmental and social practices. We have mapped 100% of our Tier 1, 2, 3, and 6 suppliers so far.

Grievance mechanisms

Each of our Tier 1 suppliers in China, Vietnam, Turkey, and Portugal (and previously in Brazil) has grievance mechanisms in place. Anonymous comment boxes are available on each site that workers can use to confidentially report any violations of labour standards. Workers are aware of this channel and are trained in how to use it if needed. Each workplace also has union representatives who are available for other workers to speak to. If a grievance is raised there are remediation processes established to address it and track how the grievance is addressed. Audits conducted during the reporting period confirmed these mechanisms are in place.

Responsible ethanol sourcing

The ethanol-based material we have used in our product was sourced from Tier 2 supplier Braskem. Braskem has a Responsible Ethanol Sourcing Policy⁶⁶ that ensures their ethanol suppliers do not tolerate, permit or condone the employment of forced or child labour, the sexual exploitation of children and adolescents or human trafficking in any process related to their activities. Braskem will not enter into any commercial relationship with suppliers that adopt irregular or illegal practices involving child labour, conditions analogous to slave or forced labor, the sexual exploitation of children and adolescents or human trafficking. This policy allows Bared Footwear to have confidence in the responsible sourcing of our sugarcane products.

However, we are no longer producing sugarcane footbeds and are phasing out their use throughout our business.

Green Team

During the reporting period, we introduced a Green Team that meets once a month to discuss and implement sustainability initiatives. Staff from all areas of the company were encouraged to apply and were selected based on commitment to environmental, social and governance issues. This Team interrogates the company's current sustainability program and seeks to improve our impact each month. Submission of a voluntary Modern Slavery Statement was first proposed at a Green Team meeting, where the initiative was approved. The Team will continue to discuss and improve Bared's modern slavery risk management processes.

⁶⁶[braskem.com](https://www.braskem.com)



How *Bared Footwear* assesses the effectiveness of our actions

- Unbiased third-party auditing conducted by audit specialist Intertek, using our expanded programs to increase visibility and documentation.
- 65% of our Tier 1 and 2 suppliers have third party certification of materials with social clauses.
- Independent verification by BLab.
- Continual communication via Zoom, WeChat, phone and email with Tier 1 suppliers about production, audit results, workers' concerns, wages, and working hours.
- Frequent meetings with local staff about how Bared can improve our social and environmental impact and planning for how these goals can be achieved.

Other relevant information

Our goals for slavery risk management over the next reporting period and beyond include:

- We aim to have all Tier 1 suppliers workers paid a living wage by December 2024.
- Once we have achieved this, we will continue to work down the supply chain until all workers in every tier of our production cycle are paid a living wage.
- We aim to have traced 100% of Tier 5 by 2024.
- We aim to have direct relationships with all suppliers at all tiers by 2026.
- We will update our third-party audits to include monitoring our suppliers' compliance with the FLA Code of Conduct.
- We will conduct training on modern slavery practices and risks for staff and suppliers by June 2024.



