



FY25
Modern Slavery *Statement*

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The background is a dark, textured surface, possibly a desk or table, covered with various pieces of paper and a pair of scissors. The paper scraps are scattered across the surface, some appearing to be cut from a larger sheet. The scissors are positioned in the lower right quadrant of the image. The overall lighting is dim, creating a moody and somewhat chaotic atmosphere.

Criteria 1 -
Reporting *Entity*

Criteria 1 - Reporting Entity *and* Included Entities

The reporting entity is Munro Footwear Group Pty Ltd ACN 614 250 501 ("MFG"). The Included Entities are the controlled entities outlined below. MFG is headquartered in Melbourne, Victoria. Its Modern Slavery Statement (Statement) has been published in accordance with the Modern Slavery Act 2018 (Cth) (MSA) and describes the actions undertaken by MFG on behalf of its controlled entities (as set out below) from 1st July 2024 to 30th June 2025, to identify, assess and address modern slavery risks.

The included entities are the MFG controlled entities, namely:

Included Entity	ABN / NZBN
Australian Footwear Pty Ltd	40 168 259 210
Cinori Shoes Pty Ltd	58 075 876 425
Colorado Group Sourcing Pty Ltd	84 057 092 172
Diana Ferrari Pty Ltd	55 168 313 595
Fusion Retail Brands Pty Ltd	44 151 836 083
MFG Shared Services Pty Ltd	31 603 935 548
Munro Mountfords Pty Ltd	83 605 044 639
Munro Wanted Pty Ltd	48 604 049 381
Styletread Pty Ltd	24 145 771 982
Styling Services Pty Ltd	24 105 736 463
Styling Services NZ Limited	9429032401493

*MFG and the Included Entities are collectively referred to as the "Group".

CEO's Message - Our Shared *Commitment*



“We’re committed to learning, growing, and adapting our approach to prioritising ethical sourcing now and in the future.”

This statement has been prepared in line with the Modern Slavery Act 2018 (Cth) and reflects the ongoing journey of Munro Footwear Group and its wholly owned entities to reduce the risk of modern slavery across our operations and supply chain.

Over the past year, we have continued to grow, not just in size, but in purpose. As we welcomed new brands and expanded our reach, we remained grounded in the belief that business should be a force for good. That belief has guided every decision we’ve made, from how we source our materials to how we support the people who help bring our products to life.

We have spent this reporting period listening more closely, asking better questions, and working side by side with our manufacturing partners to build safer, fairer workplaces. In regions where many of our products are made, we’ve expanded programs that give workers a voice, quietly but powerfully helping them speak up when something isn’t right. We have also made it easier for our partners to understand and meet their responsibilities, offering practical tools and clearer guidance to support ethical practices.

Behind the scenes, we’ve strengthened how we assess risk, introduced new ways to identify where support is needed most while ensuring we have greater oversight into the supply chain. We have also taken steps to improve how we measure supplier performance, not just on logistics and delivery, but on values that matter creating fairness and transparency.

While we acknowledge there’s still work to do, we’re proud of the progress we have made in sourcing more responsibly. More than half of the leather we use now is sourced from certified suppliers, showing that quality and conscience can go hand in hand.

None of this would be possible without the openness and collaboration of our supply partners. Their willingness to engage, share challenges, and work with us toward better outcomes has been invaluable.

Jay Munro
Munro Footwear Group
Director & Chief Executive Officer

Key Highlights of FY25

Expansion of the Speak Up Program in China:

The Speak Up Program was expanded across key manufacturing regions in China, enabling workers to confidentially raise concerns related to working conditions and potential human rights violations.

Enhanced Code of Conduct:

The existing Supplier Code of Conduct was revised to include explicit guidance on working hours, overtime, and rest periods. These updates reinforce MFG's commitment to protect workers' rights and prevent exploitative labour practices.

Implementation of a Criticality Matrix:

A Criticality Matrix was developed to strengthen how MFG assesses and prioritises different categories of non-compliances and their associated risks across supplier audits. Aligned with ILO conventions and the UN Guiding Principles on Business and Human Rights, it was piloted over a six-month period during FY25. Following a successful review, the matrix was integrated into the due diligence process, enabling a consistent, risk-based approach of each non-compliance to identify and address potential indicators of modern slavery arising from supplier audit non-compliances.

Progress on responsible leather sourcing:

As part of its ongoing efforts to promote sustainable and ethical material sourcing, MFG is pleased to report that it has exceeded its initial target of sourcing 50% of leather from Leather Working Group (LWG) certified suppliers. As at 30 June 2025, 53% of leather is sourced from LWG approved tanneries, reflecting meaningful progress in responsible sourcing practices.

Launching the comprehensive Supplier Manual:

A new Supplier Manual has been introduced for all manufacturing partners. It outlines clear expectations regarding corporate social responsibility (CSR), procurement, logistics and compliance. This ensures consistent alignment with MFG's core values and operational standards across all Tier 1 suppliers.

Introduction of the Supplier Scorecard:

MFG launched its first Supplier Scorecard to holistically evaluate manufacturing partners across ethical, environmental, logistical, and procurement metrics. The scorecard enables consistent monitoring of supplier performance, helps identify areas for improvement, and strengthens alignment with MFG's operational and CSR goals.

Enhanced Tier 2 supply chain transparency:

To strengthen supply chain transparency and support more effective risk identification, MFG has integrated Tier 2 factory data into its purchase order system. This enhancement provides greater visibility beyond Tier 1 suppliers, enabling MFG to trace sourcing relationships further downstream.



Criteria 2 -
Structure, Operations *and* Supply Chains

Criteria 2 - Structure, Operations *and* Supply Chains

Structure

“MFG’s structure helps guide how we’re organised and connected. It provides clarity in how we work and make decisions, supporting transparency and accountability across our operations and supply chains.”

As demonstrated in Criteria 1, MFG is the head company of the Group. There were no changes to the structure or entities within the Group during the reporting period.

MFG is headquartered in Melbourne, Australia where the Group’s Board provides oversight, set the strategic direction and define expectations for performance, compliance, and ethical conduct. The executive team is responsible for implementing these standards across MFG’s shared service model, which supports the retail network, distribution centre, support office, and representative office in China.

Operations

“As leaders in crafting quality footwear and building trusted brands, MFG is dedicated to becoming the footwear choice for Australians, driven by innovative, customer-centric experiences across all channels. We focus on delivering not just products, but a seamless journey that reflects our commitment to excellence and trust.”

As a vertically integrated business, MFG’s operations encompass product design, distribution, and order fulfilment through its retail network or through its dedicated distribution center in Truganina, Victoria, Australia.

MFG’s total number of employees across the Group is c.2,000.

Retail

The retail operation includes single-branded stores exclusively featuring MFG’s internally designed footwear and multi-branded stores showcasing both internally and externally developed brands.

Wholesale

The Group’s wholesale operations sell footwear designed in-house to department stores and independent boutiques across Australia and globally.

eCommerce

The eCommerce operations are overseen by a dedicated team of internal developers, supported by both max-term and in-house contractors.

Concession

During this reporting period, MFG continued its partnership with David Jones, expanding to 36 locations and extending its floor space to the entire women’s footwear department.

Our brands

MFG comprises 11 internally designed and developed brands, 4 distributor brands, and over 100 external brands sold across its national network of retail stores, e-commerce platforms, and wholesale partners.



During the year, MFG expanded its presence in the children's footwear space by acquiring The Trybe, adding 16 stores to its retail network. MFG was also granted a distributor licence to exclusively distribute Rockport branded product for Australia and New Zealand.

Support office

Working across specialised areas including marketing, merchandising, people and culture, IT, sales, and product development, this agile team works collaboratively to support the Group's operations.

Representative office

The China representative office plays a crucial role in managing MFG's supplier relationships, fostering strong and productive connections with its suppliers. To further enhance its commitment to corporate social responsibility (CSR), MFG has a dedicated CSR Manager, based in China who spearheads and supports a wide array of CSR compliance initiatives. This includes offering comprehensive training on modern slavery, providing guidance on its Speak Up program, and serving as the primary point of contact for any inquiries or concerns relating to CSR matters.

In Indonesia, MFG utilises a labour-hire solution to assist with quality control (QC) for factories manufacturing Bobux products, ensuring quality and compliance. The operational risks associated with China and Indonesia representative offices are outlined in Criteria 3.

Distribution centre

MFG has a custom-built 26,000sqm Distribution Centre equipped with cutting-edge technology, including an Autonomous Mobile Robotic solution and a Warehouse Management System.

This technology has seen a significant improvement in its inventory control, fulfilment rates, and speed to market whilst continuing to prioritise the wellbeing and safety of its over 80 DC workforce.

Distribution partners and agents

MFG collaborates with domestic and international distributor partners and sales agents to facilitate the selling of its Ziera, Bobux, Mollini, Django & Juliette brands across 23 countries

Supplier and Supply Chains

“With a commitment and clear target to exceed industry site audit standards, MFG has expanded its efforts to create localised, accessible programs that provide factory workers with the resources and confidence to speak up and speak out.”

MFG does not directly manufacture its internally designed products but engages Factory Partners and Trading Companies that adhere to MFG's supplier standards and responsible sourcing practices, which include expectations around fair and safe labour practices. These long-term partnerships support MFG's commitment to consistent product standards and reliability throughout the production process.

These standards are achieved by fostering strong relationships founded on transparency and collaboration. Where new suppliers are engaged, MFG prioritises those dedicated to cultivating a culture of compliance and ethical responsibility within their supply chains.

MFG has a compliance program that caters for the differences between its stock suppliers and non-stock suppliers.

The following outlines MFG's core supply chain structure, detailing the key supplier categories that support the company's product development and manufacturing processes.

Manufacturing stock suppliers: Stock suppliers are integral to MFG's supply chain, providing the materials, components, and finished products required for manufacturing footwear. As part of MFG's updated CSR compliance framework, the approach to working with stock suppliers has evolved. While strong, long-term partnerships remain foundational to MFG's supply chain, the focus has shifted from consistency alone to the inclusion of clear ethical compliance standards and ESG targets.

MFG collaborates with stock suppliers who are dedicated to providing high-quality materials and components while adhering to sustainability and ethical standards. These partnerships are built on transparency, accountability, and a shared commitment to continuous improvement, ensuring alignment with MFG's operational goals and broader ESG objectives. This approach not only drives operational success but also ensures that MFG's supply chain is resilient, responsible, and fully aligned with ethical sourcing principles.

In FY25, the manufacturing stock suppliers consisted of 55 partners across 15 countries, including 93 final assembly factories.

- **Trading Companies:** Trading companies manage and coordinate the end-to-end production of MFG's products internationally. They are responsible for coordinating the development and manufacturing process, conducting quality control, and reducing time to market while operating in accordance with MFG's corporate compliance and ethical behaviour policies. During the reporting period, MFG engaged 41 Trading Companies.
- **Factory Partners:** Factory Partners are suppliers that MFG engages directly to manufacture its internally designed products. They are directly accountable for protecting worker rights and conditions as well as adhering to MFG's corporate compliance and ethical behaviour policies. During FY25, MFG directly engaged 14 Factory Partners.

Third-party stock suppliers: Third-party stock suppliers play a crucial role in the buying, selling, and distribution of both third-party distributed and non-distributed brands. These suppliers facilitate a wide range of operations, including managing the logistics, coordinating orders, and ensuring the timely delivery of products to meet market demands. Brand representatives within these suppliers work closely with MFG to manage the relationship between manufacturers and third-party suppliers, ensuring that all products meet MFG's high standards for quality and compliance.

As part of MFG's commitment to ethical sourcing and transparency, third-party stock suppliers are expected to adhere to the same rigorous compliance frameworks and ethical standards as MFG's direct manufacturing partners. This includes ensuring that their operations align with MFG's CSR due diligence and compliance policies, particularly in relation to assessing and addressing modern slavery. In FY25, MFG engaged 62 third-party stock suppliers in this capacity.

Non-stock suppliers: These are suppliers who are not directly involved in the manufacture of product. Further to MFG's continued efforts with manufacturing stock suppliers, due diligence in relation to non-stock suppliers has remained an area of focus in its commitment. Whilst some non-stock suppliers carry a lower inherent risk than many of its stock suppliers, non-stock suppliers play a vital role in supporting MFG's business operations. For this reason, MFG ensures that all non-stock suppliers participate in its supplier due diligence screening process.

During FY25, MFG engaged 416 non-stock suppliers across 15 countries, covering a wide range of operational functions, including:

- **Consumer goods and services:** Supplying products critical to its broader operations, including software, hardware, catering, store and office consumables and shop fittings.
- **Office management:** Providing essential ongoing services such as couriers, cleaning, administrative support, utilities, and maintenance.
- **Corporate services:** Strategic partners that deliver professional services such as legal, HR, consultancy, financial services, and marketing.

MFG has a mature supplier onboarding process that is fully embedded in its operations. 100% of new non-stock are captured and screened through the due diligence procedures as part of its risk mitigation strategy. This screening assesses potential exposure to modern slavery and broader human rights risks before engagement. MFG has conducted a specific project addressing modern slavery risks in its non-stock suppliers which is described as a case study under Criteria 4.

Example of Footwear Production Process

The lead time for manufacturing MFG products from one season to the next can range from 10 to 14 months, highlighting the need for a dynamic and disciplined approach to portfolio management. The below demonstrates the production process for winter 2025 products, with a commencement date of March 2024.



March

Product Development

- Trending planning
- Design concept
- Sampling process



July - Aug

Planning and Buying

- Negotiating minimum order quantities and prices
- Product sign-off
- Range and assortment planning



Sept - Dec

Manufacturing

- Issue purchase orders
- Material sourcing
- Product assembly
- Raw material extraction
- Raw material processing
- Material production

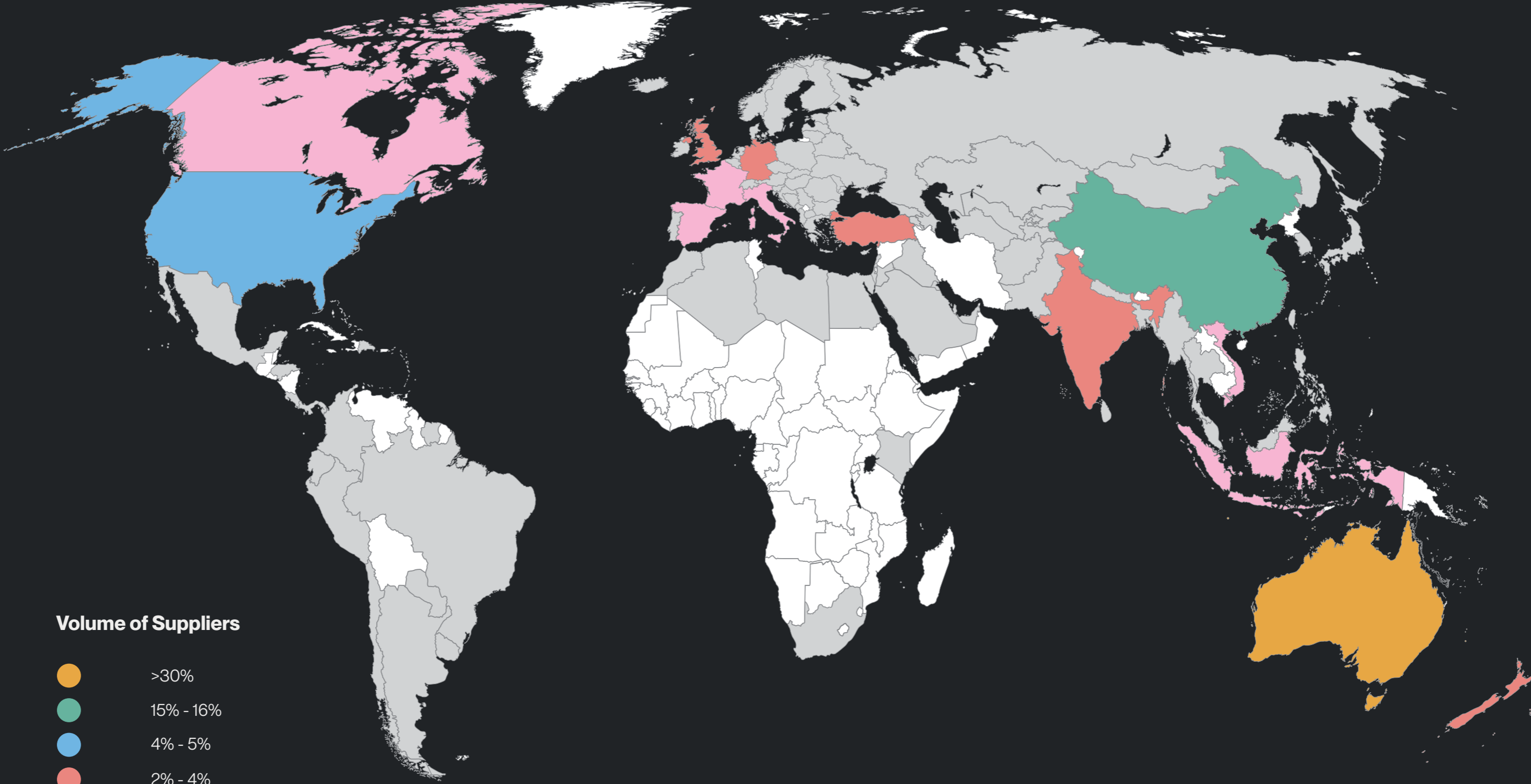


Dec - May

Logistics


- Quality control
- Product packaging
- Shipping and distribution
- Direct to store
- Direct to wholesale customer
- Fulfilment from the distribution centre

Supply Chains: Supplier Locations



Volume of Suppliers

- >30%
- 15% - 16%
- 4% - 5%
- 2% - 4%
- 1% - 2%
- 0% - 1%
- 0%



Criteria 3 - Risks

Criteria 3 - Modern Slavery Risks in our Operation *and* Supply Chains

“MFG operates in the global footwear industry and takes its responsibility to identify the specific risks inherent to this sector, which can lead to, contribute to, or be directly linked to serious modern slavery risks.”

Operational Risks

MFG assesses the risk of modern slavery practices in its operations as low; however, it continues to maintain resources that have been updated to align with its stance on modern slavery, which includes:

- Supplier Code of Conduct
- Modern slavery policy
- Whistleblower policy
- Anti-bribery and corruption policy
- Procurement and product development policy
- Employee assistance program
- Ethical sourcing policy
- Remediation policy
- Gender equality policy

MFG acknowledges that there are heightened inherent risks associated with MFG’s representative offices in China and Indonesia. These representative offices are bound by the above resources and standards as part of its Group-wide approach to addressing modern slavery risk.

Supply Chain Risks

The footwear industry operates within a fast-paced and constantly evolving environment, where supply chains are often intricate and multilayered. Much of this complexity stems from the use of informal subcontracting and the involvement of numerous supplier tiers to source various components required in footwear production. As a result, gaining full transparency across the entire supply chain remains a significant challenge.

Recognising that these hidden layers can sometimes mask instances of modern slavery, MFG conducts a thorough risk evaluation process. This process considers a range of factors, including geographic vulnerabilities, the sourcing of raw materials, and the specific risk profiles of individual suppliers or business partners. During this reporting period, MFG has become aware of heightened inherent risks associated with its non-stock suppliers and has undertaken a specific project to address these risks. These non-stock suppliers are within industries such as labour hire and logistics which are high risk for modern slavery risk. This project is further described in Criteria 4.

Consistent with the UNGPs and the Australian Government’s official guidance on the MSA, we understand modern slavery risks as those including situations where we might cause, contribute to, or be directly linked to modern slavery. These terms are explained in the table.

Given the vulnerabilities associated with apparel, footwear, and product manufacturing, MFG continues to evolve its risk framework to encompass a broader range of indicators related to modern slavery, bribery, corruption, environmental violations, and political exposure.

Potential Modern Slavery Risk in Operations

Cause	the entity’s operations may directly result in modern slavery practices
Contribute to	the entity’s operations and/or actions in its supply chains may contribute to modern slavery practices, including acts or omissions that may facilitate or incentivise modern slavery
Directly linked to	the risk that the entity’s operations, products or services may be connected to modern slavery through the activities of another entity with which the business has relationships.

Through this evaluation, MFG has identified several key forms of modern slavery that may be especially relevant within the footwear supply chain.

- **Forced labour:** Occurs when individuals cannot leave their job or workplace voluntarily, often under threat or coercion.
- **Child labour:** Involves minors being subjected to conditions such as forced labour, hazardous tasks that endanger their well-being, or being involved in illicit activities like drug trafficking.
- **Debt bondage:** Arises when a person is compelled to work to repay a debt that is either excessive or structured in such a way that repayment is not realistically achievable, often with undefined terms or duration.
- **Misleading recruitment practices:** Refers to situations where individuals are recruited under false pretences, only to find themselves exploited in conditions aligned with modern slavery.

Factors that contribute to these risks are described below.

A Closer Look At Supply Chain Risk

Visibility across the footwear supply chain remains a key challenge due to its complexity and multi-tiered structure. Final assembly factories are generally considered moderate to high risk, influenced by factors such as low-wage labour, reliance on unskilled or migrant workers, and short production timelines. MFG's sourcing model involves both direct engagement with tier 1 manufacturing partners and indirect relationships managed through Trading Companies, which may subcontract production to additional intermediaries. These layers extend to component and material suppliers further upstream, increasing the difficulty for MFG to maintain transparency and ensure consistent ethical standards across all stages of production.

Geographical Risk

Understanding that its manufacturing suppliers span multiple international jurisdictions, MFG recognises the significant risks of modern slavery present in several countries where its products are manufactured.

During the reporting period, primary factories were located in Turkey, China, Indonesia, India, Pakistan, and Australia, with additional suppliers located in Europe and Asia. MFG is aware of the risks associated with operating in these regions and has assessed these geographical risks as follows:



Türkiye

Walk Free's 2023 Global Slavery Index (GSI) estimates ~1.3 million people in modern slavery in Türkiye (15.6 per 1,000 people) — among the highest prevalence rates in Europe/Central Asia. The U.S. Trafficking in Persons Report places Türkiye on Tier 2, noting the government does not fully meet the minimum standards but is making efforts. High vulnerability drivers include discrimination against minorities, the large refugee population (notably Syrians), informal/seasonal work and weak protections for migrant and irregular workers — all relevant to textile/apparel and light manufacturing supply chains.²

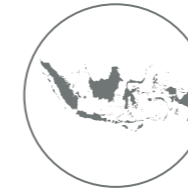
Vulnerability Score: 51/100³



China

Significant, well-documented risks of state-linked coercive labour transfer and forced labour concerns (notably in Xinjiang) have led multiple governments, researchers and enforcement actions to flag high-risk supply chains (cotton/textiles, polysilicon, some electronics inputs). Companies operating in Chinese supply chains face elevated compliance and reputational risk.

Vulnerability Score: 46/100



Indonesia

GSI 2023 estimates ~1.8+ million people in modern slavery in Indonesia (prevalence ~6.7/1,000). Risk drivers include migrant worker exploitation, informal subcontracting, and sector hotspots such as fisheries, palm oil and certain processing industries. Apparel/textile manufacturing also shows vulnerability where informal subcontracting and migrant workers are used.

Vulnerability Score: 49/100



India

India has one of the largest absolute populations in modern slavery. Walk Free (GSI 2023) estimates ~11.05 million people experienced forced labour or forced marriage in 2021 (8.0 per 1,000). Large informal economy, bonded labour pockets, and child labour remain structural drivers — all material for manufacturers sourcing textiles, garments, leather, and components.

Vulnerability Score: 56/100



Pakistan

GSI 2023 estimates ~2.35 million people in modern slavery in Pakistan (prevalence ~10.6/1,000). The U.S. TIP Report and multiple national studies emphasise bonded labour in brick kilns and agriculture (a large share of bonded workers are children), and ongoing vulnerability in textile and informal manufacturing supply chains.

Vulnerability Score: 80/100

¹WalkFree Foundation, 'Global Slavery Index / Country Study – Modern Slavery in Türkiye' <https://www.walkfree.org/global-slavery-index/country-studies/turkiye/>

²The vulnerability score is rated by the Walk Free Foundation on a scale of 0 to 100, with 100 being the highest vulnerability to modern slavery. These vulnerability scores were taken from the 2023 Global Slavery Index.

³WalkFree Foundation, 'Global Slavery Index / Country Study – Modern Slavery in China' <https://www.walkfree.org/global-slavery-index/country-studies/china/>

⁴WalkFree Foundation, 'Global Slavery Index / Country Study – Modern Slavery in Indonesia' <https://www.walkfree.org/global-slavery-index/country-studies/indonesia/>

⁵WalkFree Foundation, 'Global Slavery Index / Country Study – Modern Slavery in India' <https://www.walkfree.org/global-slavery-index/country-studies/india/>

⁶US Department of State, '2023 Trafficking in Persons Report: Pakistan' <https://www.state.gov/reports/2023-trafficking-in-persons-report/pakistan>.

Raw Material Risks

The extraction, processing, and production of raw materials are at high risk of modern slavery, often involving forced labour, deceptive recruitment practices, unsafe working conditions, and the treatment of workers as expendable. The raw materials used in footwear production include synthetic fibres like polyester, plant fibres such as rubber, and animal fibres like leather.

Lack of traceability

The risks of modern slavery increase deeper down the supply chain due to the lack of transparency and traceability with suppliers deeper in the supply chain. In most cases, MFG does not have direct relationships with its raw material suppliers; these relationships are instead managed by its Tier 1 and Tier 2 manufacturing suppliers.

Access to workers

In addition to the challenges of traceability, there is an increased risk to workers involved in raw material processing and production. Tracking working conditions is difficult, especially due to the frequent movement between raw material suppliers. This situation creates an environment where modern slavery can occur undetected.

Leather

The primary raw material MFG utilises is leather, which means that its supply chain also consists of tanneries, where animal hides are treated and transformed into leather. These tanneries are often situated in countries with lower labour standards and weaker environmental regulations. Workers in tanneries often face hazardous working conditions and low wages. Leather production typically requires low-skilled labour, which makes workers more vulnerable to exploitation, as they may lack access to education, legal representation, or collective bargaining rights.

MFG is an official member of the Leather Working Group (LWG), reinforcing its commitment to sustainable and responsible sourcing across the leather supply chain. Through this membership, the business continues to deepen its understanding of environmental and social risks in leather production.

Entity Risks

MFG strategically utilises Trading Companies to coordinate the manufacturing of its products, as these companies provide greater access to top factories.

However, Trading Company engagement presents several complexities, such as the visibility and traceability of their supply chains. MFG recognises the challenges and risk posed through reliance on Trading Companies

The risks are particularly pronounced for MFG, as 54% of its manufacturing operations are managed by Trading Companies. This results in greater reliance on these Trading companies to adhere to MFG's CSR compliance and sourcing behaviour policies while acting in the best interests of the business.

Subcontracting

Subcontracting is a common practice in Trading Company supply chains. However, without proper traceability of subcontracting and supporting site audits, exploitative practices can be easily hidden. For this reason, MFG has established a specific set of policies and procedures for Trading Companies.

Visibility

Trading Companies often lack direct control over their supply chains, which limits their visibility to potential risks related to modern slavery. MFG's supplier agreement specifies that Trading Companies must provide the required information and implement initiatives to fulfil reporting obligations and social goals. This ensures that MFG has the visibility needed to assess and address any risks, including those associated with modern slavery.

Case Study

Raw Material Risk - *Leather*

Leather is a high-risk raw material within MFG's supply chain. While it is central to its product offering, the complex journey from raw hide to finished material presents several challenges:

- **Transparency risks** - difficulty with tracing raw material origins across multiple geographies
- **Labour risks** - potential exposure to forced or exploitative labour in early supply chain stages
- **Health & safety risks** - unsafe conditions in tanning and processing facilities; and
- **Environmental risks** - water consumption, chemical management, waste disposal, and deforestation impacts.

Recognising that these risks are interconnected and cannot be addressed without stronger oversight. For this reason, MFG has made Leather Working Group (LWG) certification a central part of its risk management strategy, as it combines environmental performance with improved supply chain governance.

During the reporting period, approximately 53% of its leather suppliers are LWG-certified. This milestone represents a significant step forward in reducing risks related to transparency, labour conditions, and environmental performance. MFG aims to achieve 75% LWG-certified suppliers by the next reporting period. By moving towards full certification and traceability across its leather supply chain, this will ensure that MFG has visibility over the risks of modern slavery within these supply chains and can mitigate being "directly linked to" modern slavery prior to engaging with suppliers.

Actions taken during this reporting period to address modern slavery risks with leather:

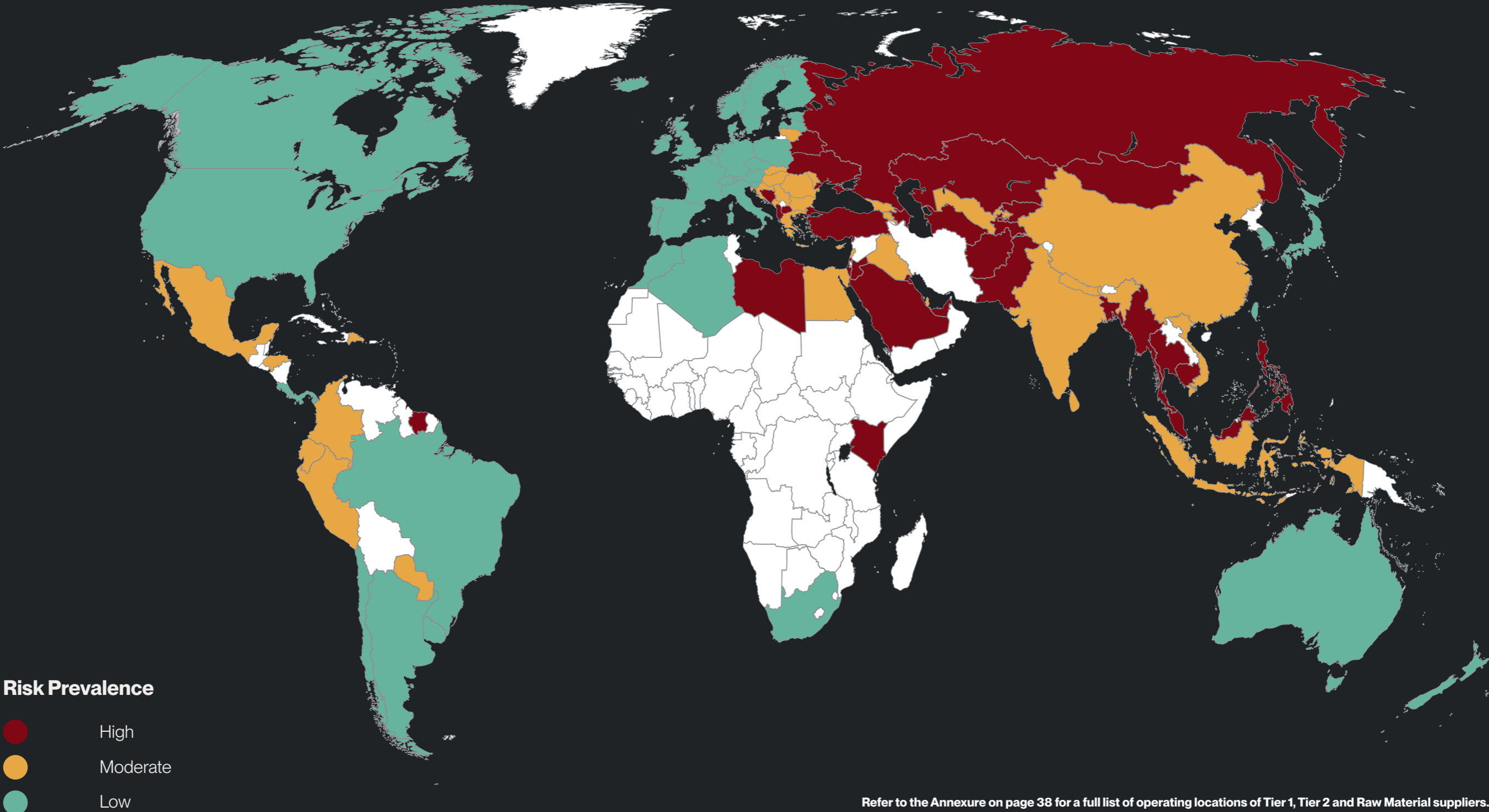
- **Supplier engagement:** worked closely with non-LWG certified T1 suppliers, providing guidance and resources to help them prepare for the LWG audit process.
- **Onboarding standards:** Prioritised new supplier relationships with businesses that are already LWG certified or committed to achieving certification.
- **Traceability investments:** Continued to develop systems that map the origin and movement of raw materials, allowing MFG to identify potential modern slavery risks earlier and with greater accuracy.

Reaching 53% LWG-certified suppliers is not just a compliance goal, it reflects its commitment to building a more transparent, ethical, and resilient leather supply chain. This is a mitigation step where, it aims to systematically lower the likelihood of modern slavery risks occurring in these leather supply chains, while strengthening trust with its stakeholders and customers.

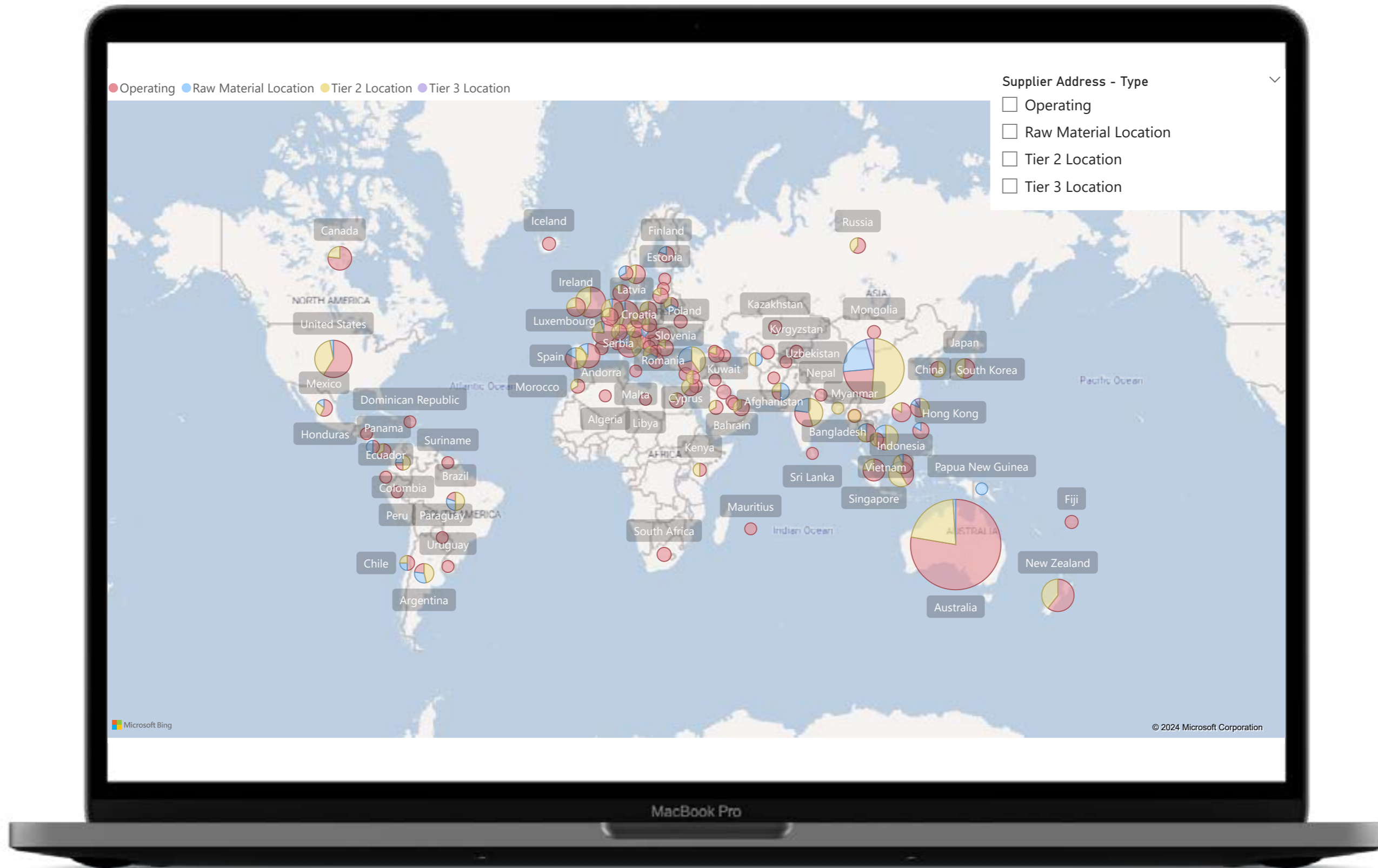


Supply Chains By *Risk*

Using resources such as the Global Slavery Index, MFG assesses the risk of its suppliers and considers where they are based, taking a risk based approach to due diligence. Such that, where there is a higher presentation of risk, more due diligence is required. Below is a summary of where suppliers are based and associated risk.



Refer to the Annexure on page 38 for a full list of operating locations of Tier 1, Tier 2 and Raw Material suppliers.



An example of PowerBI analysis whereby we use interactive dashboards to track real time supply chain data.

A dark, high-contrast photograph of a person's hands holding a pen over a document with handwritten numbers. The background is filled with various objects, including a white plate, a white container, and some crumpled paper. The overall tone is somber and focused.

Criteria 4 -
Actions Taken
to Address
Modern Slavery

Criteria 4 – *Actions Taken* to Address Modern Slavery

“We are committed to working with suppliers who uphold human rights and to continuously improving our practices to help eliminate modern slavery.”

Building on the foundational work undertaken last year to strengthen its ethical governance framework, MFG continued to embed and enhance ethical compliance practices throughout its operations. This year’s efforts reflect its commitment to continuous improvement, focusing on ensuring its suppliers meet clearly defined expectations regarding labour rights and responsible sourcing.

MFG CSR compliance framework

MFG maintains a robust, risk-based supplier onboarding process designed to mitigate the modern slavery risks into its operations and supply chains. The process begins with an internal request submitted by MFG team members, commencing a due diligence workflow. MFG’s due diligence workflow is conducted via MFG’s Supplier Portal.

Supplier Due Diligence Process

Initial Risk Assessment

An initial assessment is conducted for all prospective suppliers to identify potential areas of concern. This stage considers geographical risk (based on the country of operation) and industry risk (based on the type of goods or services supplied).

Refinitiv Screening

Each supplier is screened through Refinitiv, a third-party analytics platform that leverages publicly available data to assess a broad range of risk indicators. The screening monitors for integrity risks (e.g. corruption, fraud, sanctions).

Supplier Questionnaire

All suppliers with an annual spend exceeding \$5,000 are required to complete a Supplier Due Diligence Questionnaire, regardless of supplier type. This questionnaire gathers additional detail on governance practices, labour standards, supply chain, sustainability commitments, and cyber security. The suppliers are also requested to accept MFG’s Supplier code of Conduct at this onboarding stage.

Site Audits

All manufacturing factories and factory partners must submit an audit report at the time of onboarding and undergo a re-audit every two years as part of ongoing due diligence module.

High-Risk Evaluation and Legal Review

If a supplier is assessed as high risk based on the combined results of the screening and questionnaire, Cowell Clarke (legal consultant) provides their legal recommendation on the next appropriate steps. Their guidance allows MFG to make informed decisions on further due diligence, supplier engagement, or any mitigation actions.

Corrective Action and Training

Where required, suppliers may be asked to complete Modern Slavery Awareness training or implement corrective actions to address identified gaps before proceeding further in the approval process.

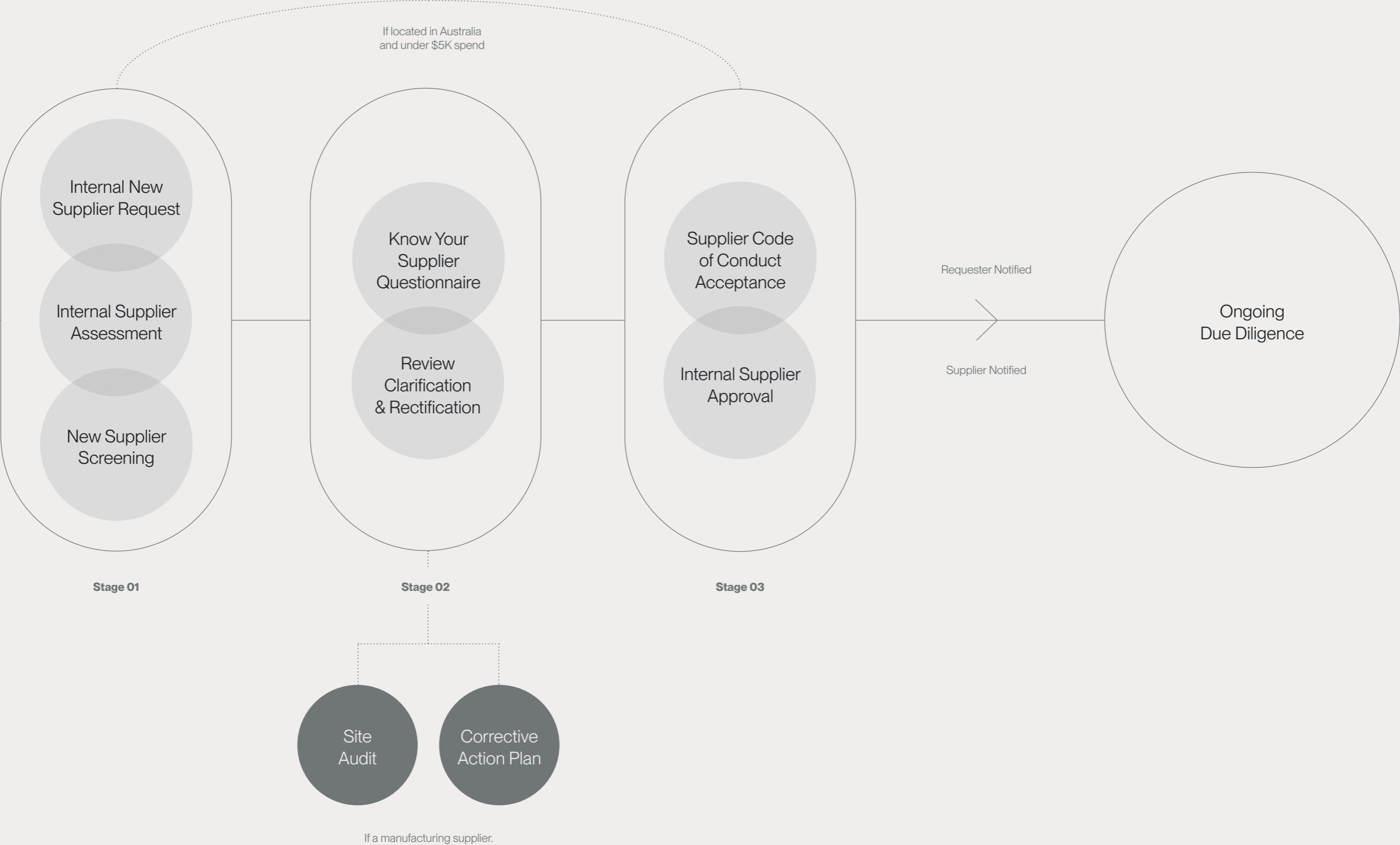
Final Finance Approval

Once due diligence and any necessary remediation steps are complete, suppliers proceed to final review and approval by the Finance team, ensuring all risk and compliance requirements have been satisfied.

Continuous Due Diligence

Following approval, internal stakeholders and suppliers are formally notified, and the supplier spend is monitored on a monthly basis. All suppliers are also subject to ongoing due diligence and annual reviews to ensure continued compliance. This multi-layered approach ensures that MFG’s supplier base remains aligned with its ethical standards, with governance and accountability mechanisms embedded at every stage of the onboarding journey.

CSR Compliance Frame work

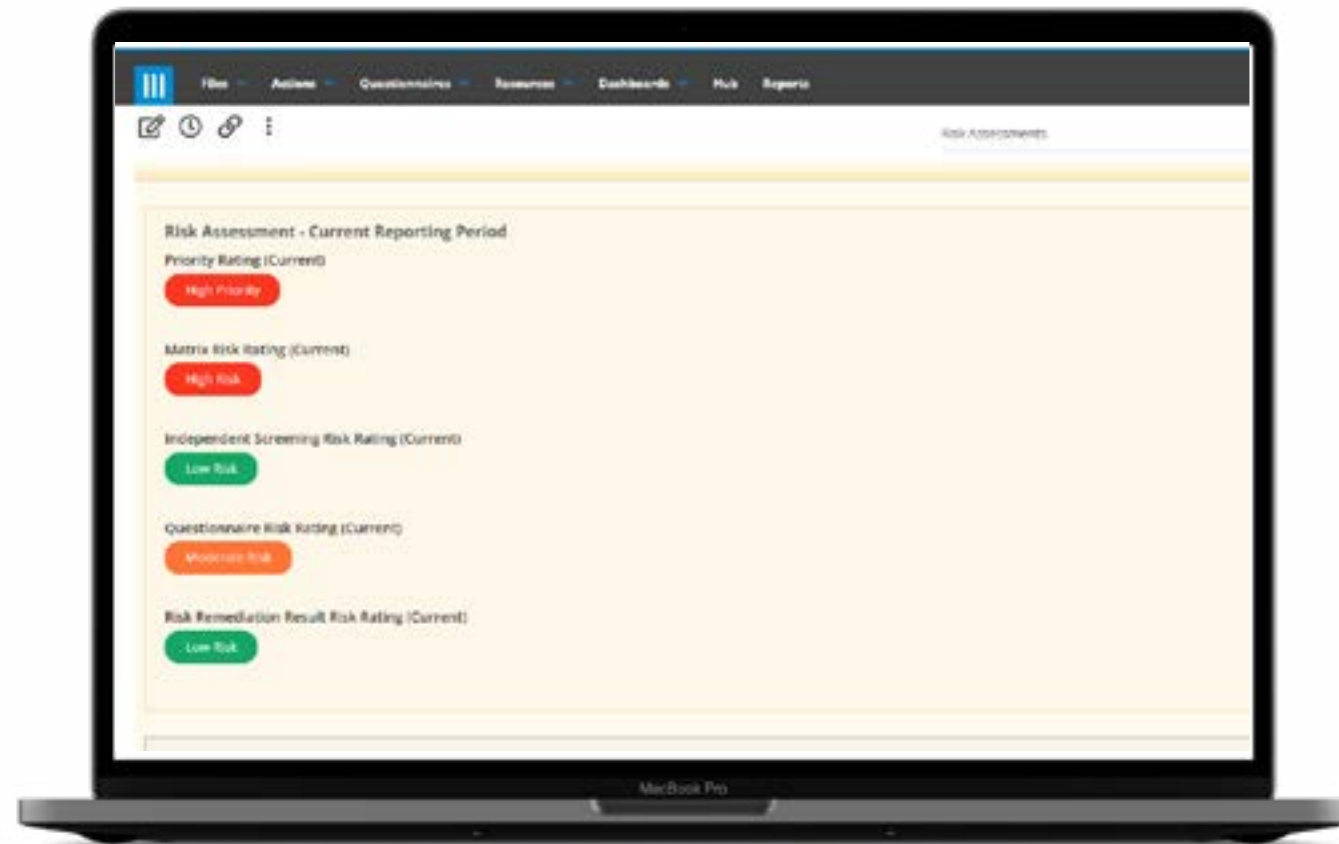


During this reporting period, MFG undertook the due diligence process:

- Conducted 533 initial supplier risk assessments, applying a supplier risk rating with consideration to its geographical location and operating industry;
- Screened 533 suppliers based on publicly available information – modern slavery supplier screening for modern slavery risk indicators, including integrity risks, environment, social and governance risks, data and cyber risks, operational and quality risks, identity risks and financial risks;
- Reviewed 34 audits using the criticality matrix guidelines developed in FY24;
- Identified 21 critical non-compliances – resolved 15 non-compliances and 5 in review which were resolved after the reporting period;
- 32% of the non-compliances were related to workers health and safety;
- 21% of the non-compliances were related to excessive working hours; and
- 6% of the non-compliances were related to wages and benefits.

MFG has continued to build on its commitment to ethical sourcing by prioritising active engagement with suppliers to resolve non-compliances. Year on year, MFG has recorded a consistent decline in identified critical non-compliances, reflecting the effectiveness of its collaborative approach rather than reliance on audits alone. This ongoing shift toward resolution-focused auditing and supplier partnership has been central to MFG's improved compliance performance and continued reduction in risk across its supply chain.

Risk Assessment - Current Reporting Period



Example of a supplier's risk assessment profile in MFG's Supplier Portal.

Case Study



How MFG's Refinitiv Screening *Enables* Informed Decision-Making

During a routine Refinitiv compliance screening, a logistics supplier was flagged for involvement in antitrust violations specifically, a €196 million fine (subsequently reduced) issued by French regulators for anti-competitive practices. The screening also confirmed that the supplier was fully state-owned by the French Government.

While the case did not present a modern slavery concern, it illustrates the strength of MFG's due diligence process in identifying broader ethical, legal and reputational risks, which can present as modern slavery indicators which heighten the risk of modern slavery occurring in this supply chain. In line with internal protocols, the case was escalated to the relevant executive for review, ensuring transparency, proportional response, and accountability in sourcing decisions, regardless of whether the supplier is classified as stock or non-stock.

Governance framework

Policy review

To support the supplier's onboarding workflow and ongoing due diligence activities, MFG has a strict and evolving governance framework. This framework ensures that all supplier engagements are managed in line with its CSR Compliance Framework (as illustrated above) and are responsive to the requirements of the MSA.

MFG has updated its Supplier Code of Conduct to clarify working conditions, particularly in relation to overtime hours. The revised Code explicitly states that overtime must be consensual and clearly documented, that there are mandatory provisions for rest days and adequate time off, in line with international labour standards. MFG remains committed to regularly reviewing and strengthening its policies and procedures to ensure they are effective, responsive, and aligned with evolving global standards.

MFG's supplier policy suite includes the following:

- Remediation policy
- Ethical sourcing policy
- Ethical sourcing procedure
- Code of conduct
- Supplier training (available on demand)
- Gender equality policy

Supplier Manual

As part of its broader governance improvements, MFG developed and launched a Supplier Manual, which outlines its CSR requirements for all Tier 1 suppliers. This manual guides compliance with human rights, environmental standards, and responsible sourcing. To date, 72% of manufacturing stock suppliers have acknowledged and signed the Supplier Manual.

Supplier onboarding controls

To further reinforce its compliance framework, MFG has introduced formal processes to ensure that no supplier bypasses due diligence. These processes include documentation checks and integration of compliance tracking mechanisms into the supplier onboarding process. These supplier onboarding controls are managed via the Supplier Portal which automates these controls via notifications through the stages of due diligence workflow to various stakeholders.

Supplier agreement

Further to the comprehensive updates made last year to MFG's supplier agreements for all suppliers involved in its manufacturing processes, this year we have successfully executed these revised contracts. These agreements now more reflect MFG's expectations surrounding ethical labour practices and compliance obligations. Tying MFG's CSR compliance expectations of its suppliers into its contractual arrangements is an important step in MFG communicating to suppliers the importance that it places on its CSR obligations (in particular, its due diligence expectations as part of its modern slavery compliance). Furthermore, being able to contractually enforce expectations provides MFG with leverage to ensure that suppliers are onboard and assisting MFG with meetings it due diligence obligations under the MSA.

Supplier scorecard

To comprehensively and fairly evaluate manufacturing suppliers, MFG developed a robust scorecard framework, an integrated, quantitative tool designed to benchmark supplier performance across key operational and compliance areas. This initiative aims to optimise supply chain performance while ensuring alignment with MFG's core values and compliance standards, including those aimed at identifying and mitigating risks of modern slavery.

The scorecard evaluates supplier performance across four key pillars: Ethical, Environmental, Logistics & Procurement.

This system supports MFG's supplier governance process, reinforcing the requirements outlined in its Supplier Agreement, Policies, and CSR Manual. During the reporting period, MFG piloted the supplier scorecard with one of its manufacturing suppliers to ensure the supplier scorecard is tested before rolling it out to its broader list of suppliers. This is described further in the case study below.

Case Study



Strengthening Governance Oversight Through the Supplier Scorecard Pilot

During the reporting period, MFG piloted a newly developed Supplier Scorecard with one of its largest manufacturing partners in China. This initiative was introduced to establish a more consistent, transparent, and data-driven method of evaluating supplier performance, with a strong focus on ethical compliance as part of MFG's modern slavery risk management efforts.

The Scorecard, developed by the CSR team, provides a holistic assessment across four key areas: ethical practices, environmental sustainability, logistics, and procurement reliability. Each area is quantitatively rated on a 1 to 5-star scale, reflecting performance from below-standard to industry best practice.

The pilot involved nine factories under one key supplier. Encouragingly, eight factories received a 5-star rating in ethical compliance, demonstrating a strong commitment to responsible practices and alignment with MFG's expectations. The remaining factory achieved 4 stars, which was still above industry standards, with minor areas for improvement identified.

This pilot not only validated the Scorecard as a powerful governance tool, it also provided valuable insights into supplier strengths and improvement areas. By linking ethical performance directly to measurable outcomes, the Scorecard will help MFG ensure its partners are upholding the same values it holds itself to.

Looking ahead, the Scorecard will be rolled out to additional suppliers, forming part of MFG broader strategy to embed ethical oversight into every level of sourcing process and drive continuous improvement across its global supply chain.

Improving Supplier Due Diligence Using the Criticality Matrix

To strengthen its approach to identifying and addressing risks of modern slavery including broader labour rights violations in its supply chain, MFG developed and piloted a Criticality Matrix over a six-month period.

Developed in collaboration with a third-party law firm, the matrix is grounded in internationally recognised frameworks, including:

- International Labour Organization (ILO) Conventions
- United Nations Guiding Principles on Business and Human Rights (UNGPs)

The matrix was created in response to findings from MFG's internal shadow audit conducted in FY24, which identified inconsistencies in audit standards and in how non-compliances were categorised and addressed across third-party audit providers. While the matrix brings a consistent structure to the assessment of audit findings, it was also designed as a flexible and evolving document. MFG recognises that supplier contexts vary significantly as factories differ in size, maturity, geographic location, and inherent challenges. The matrix incorporates this variability by allowing room for contextual judgment when determining the severity of findings and tailoring corrective actions.

This ensures that smaller factories or those operating under different local conditions are not unfairly penalised but are still held to appropriate standards. Corrective action plans are thus proportionate, risk-based, and achievable, supporting meaningful improvement over time rather than a punitive or one-size-fits-all approach. Below are some of the impacts that were observed during the audit review:

1. The matrix provides a common structure for classifying non-compliance issues while remaining sensitive to supplier context, balancing consistency with fairness and realism.
2. By categorising non-compliances into critical, major, or minor, the matrix helps teams respond more efficiently and effectively, focusing on the most serious risks, including forced labour and child labour indicators.
3. It enables MFG to channel resources toward the highest-risk issues and suppliers, making remediation processes more impactful and data-driven.
4. The matrix is a live tool, regularly reviewed and updated to reflect evolving legal requirements, global best practices, and on-the-ground realities.
5. The tool serves as a benchmark for audit quality, improving internal consistency in the review of third-party audit reports and increasing transparency in supplier performance monitoring.

Case Study

Piloting the *Criticality Matrix*

Before formally embedding the Criticality Matrix into its supplier due diligence processes, MFG completed a six-month pilot to evaluate its effectiveness in practice. The matrix was applied to 34 supplier audits and used to assess over 700 types of non-compliance across 12 risk categories, including:

- Child labour and young workers
- Freedom of association and collective bargaining
- Wages and benefits
- Discrimination and harassment
- Occupational health, safety, and hygiene
- Working hours and rest periods
- Subcontracting and recruitment practices

The pilot demonstrated that the matrix helped standardise how risks were classified and addressed, improved remediation planning, and enabled clearer prioritisation of the most serious issues. Following the pilot's success, the Criticality Matrix was formally embedded into all supplier audit reviews and is now a core component of MFG's due diligence framework.

Supply chain tracing

During the reporting year, MFG focused on enhancing the accuracy and completeness of supply chain information provided by its Tier 1 (T1) Trading Companies to ensure full supply chain traceability. Building on the previous year's achievement, where MFG successfully mapped 100% of its manufacturing facilities, MFG advanced its efforts by implementing stronger governance measures to ensure that only approved factories are involved in the production of MFG products.

A key initiative launched during the period was the optimisation of the PO optimisation project, which now requires all Trading Companies to declare the exact Tier 2 (T2) factories allocated to fulfil each order. This control reduces the risk of unauthorised subcontracting and enables improved monitoring of labour practices, including working hours and remediation progress. In parallel, MFG expanded its supplier engagement platforms to allow T2 suppliers to upload documentation, respond to operational queries, and collaborate directly on corrective action plans where necessary.

Case Study

Strengthening Tier 2: Factory Onboarding and Traceability

In the previous reporting, MFG commenced a PO Optimisation project, aimed to have stricter controls to prevent Trading Companies from raising POs without onboarding T2 factories, ensuring that products are produced only in verified and approved facilities. As part of MFG's PO Optimisation Project, a new requirement was introduced for factory codes to be included on all purchase orders issued to Trading Companies. This initiative aimed to improve supply chain transparency and ensure full visibility of where production is taking place.

During implementation, a gap was identified, while Tier 1 trading companies were fully onboarded and compliant, their associated Tier 2 and Tier 3 production factories were not formally registered on MFG's supplier portal. Although some factories had completed audits and undergone the full onboarding process, internal stakeholders were not being notified of their involvement or the onboarding process. This limited traceability posed a risk in accurately managing compliance and modern slavery exposure deeper in the supply chain.

In response, MFG introduced a new requirement, all factories involved in production, regardless of tier, must now be formally onboarded. This includes all internal stakeholders receiving system-generated notifications to ensure they are fully informed and are not raising purchase orders to any deactivated, closed or unapproved factory.

This update has closed a key traceability gap, ensuring consistent oversight, deeper visibility, and stronger protection against hidden modern slavery risks across all levels of the supply chain.

Supplier Training

To help suppliers understand the importance of transparency and their role in meeting MFG's compliance and ethical requirements, the CSR manager based in the China office continued to facilitate training sessions on Modern Slavery and compliance throughout the region. During this reporting period, 41 training sessions on Modern Slavery compliance were conducted. After each session, the CSR manager maintained ongoing communication with the suppliers to reinforce the training outcomes and ensure continuous improvement.

This comprehensive training approach, along with regular CSR self-assessments, has significantly enhanced factory performance and aligned operations with MFG's standards. The positive outcomes include strengthened compliance, improved quality control, and more sustainable environmental practices.

Additionally, this initiative creates a local presence for MFG, allowing for better engagement with suppliers and providing a direct reporting line to the Australian head office. MFG has found this arrangement to be very successful in establishing a more effective intermediary relationship with its suppliers.

Due Diligence (Non-Stock Supplier)

During the reporting period, MFG conducted a detailed review of its non-stock suppliers. This review included suppliers of services and indirect goods that are not directly integrated into its production lines but are essential to its business operations. Examples include facilities management, IT services, logistic providers, professional services, and temporary labour agencies.

This reporting period, MFG placed increased focus on non-stock suppliers given heightened risk indicators in areas such as temporary labour hire, logistics, and imported goods which are likely to be more exposed to forced labour.

For example, the Australian Anti-Slavery Commissioner has warned of increased risks in these sectors.⁸

MFG focused its review priorities on suppliers with heightened inherent risk, determined by the level of spend with each relevant supplier, identifying those non-stock suppliers representing the highest proportion of MFG's expenditure. Within this high-risk group:

- 60% of suppliers had a modern slavery statement publicly available, aligned with reporting requirements and best practices or had a modern slavery policy available on their website.
- 7% of the suppliers in question were not required to prepare a modern slavery statement, as they operate as overseas suppliers and are not subject to the jurisdiction of the MSA.
- The remainder 30% did not have a published statement but were still subject to its supplier due diligence process as described above.

All non-stock suppliers within this high-risk group completed the supplier due diligence questionnaire as part of their onboarding process.

This assessment explored key areas, including:

- Company policies: formal statements on human rights, ethical conduct, and modern slavery.
- Supply chain transparency: identification of subcontractors and geographical mapping of upstream supply chains.
- Product and service risks: categories of services or goods supplied, with particular focus on labour-intensive services where risks of forced labour are higher.
- Refinitiv screening: assessment of supplier operations and supply chains in higher-risk jurisdictions based on public available data indices.

⁸source: https://www.business-humanrights.org/en/latest-news/australia-new-report-by-un-special-rapporteur-on-contemporary-forms-of-slavery-expresses-serious-concerns-about-treatment-of-temporary-migrant-workers-in-high-risk-sectors/?utm_source=

This review highlighted that suppliers operating in labour-intensive sectors such as freight, are more exposed to modern slavery risks compared to suppliers in professional services such as IT, realty and utilities. The review indicated that even where suppliers did not have a formal modern slavery statement in place, many still demonstrated an awareness of human rights risks and had implemented relevant policies, including fair recruitment practices and whistleblowing procedures. In addition, MFG's questionnaire enabled it to capture consistent information across suppliers, which allows it to benchmark practices and identify potential gaps for further engagement and improvement.

While the due diligence process has strengthened its visibility of supplier practices, MFG acknowledged that having a modern slavery statement does not always equate to robust implementation. To address this, as further described in Criteria 7, it plans to:

- Engage directly with suppliers that did not demonstrate adequate policy frameworks;
- Provide targeted training and guidance on risk identification and management; and
- Develop a monitoring framework that includes periodic reassessment and escalation processes for suppliers in higher-risk categories.

Leather Working Group and addressing leather raw material risk

“We are making traceability a core part of our leather sourcing. By working with the Leather Working Group and investing in dedicated resources, we can identify risks, strengthen supplier accountability, and integrate recognised social audits. This approach helps to reduce the risk of modern slavery and ensures our leather is sourced responsibly, ethically and environmentally.”

MFG recognises leather as one of the core raw materials in its supply chain, carrying elevated modern slavery risks. These risks are most pronounced at the earliest stages of sourcing, where subcontracted operations and poor working conditions can occur, and where visibility is often limited. MFG also recognises that without robust systems in place, issues such as hidden subcontracting, unsafe labour practices, or inadequate worker protections could remain undetected.

To address this, MFG focused on enhancing the supply chain visibility in leather, a key focus area for FY25. Improving traceability is central to its strategy for reducing modern slavery risks, ensuring MFG has clearer oversight of its suppliers, their operations, and the conditions under which leather is produced.

To strengthen visibility and traceability within its leather supply chain, MFG has appointed a dedicated Product Engineering Manager to oversee engagement with the Leather Working Group (LWG) and supplier partners. With over 25 years of experience in the footwear industry, particularly in leather sourcing, manufacturing, and quality management, the role brings deep technical expertise and industry insight to MFG's product development and procurement processes.

The Product Engineering Manager works directly with suppliers and LWG to obtain verified information and ensure accountability. Using the LWG Audit Protocol (LMAP Version 7), the role provides comprehensive oversight of tanneries and their operations including:

- Facility details
- Subcontracted operations and social audit recognition
- Production data, incoming and outgoing traceability
- Environmental management systems and operating permits
- Restricted substances, chemical use, and CrVI management
- Energy and water usage
- Air and noise emissions
- Waste and effluent treatment
- Health, safety, and emergency preparedness
- Overall operations management

Working with the LWG, MFG submitted its tannery list to the LWG (sourced from active factory partners and agents). The LWG Standards team then validate this data and issued a detailed compliance and certification report for each supplier, providing MFG clearer visibility of working conditions and environmental practices across its supply chain.

By dedicating resources to traceability and partnering with the LWG, MFG are embedding accountability into its leather sourcing process. This approach reduces the risk of modern slavery by shining a light on hidden operations, recognising social audits, and strengthening supplier verification. It demonstrates MFG commitment to ensuring that the leather source is not only environmentally responsible but also ethically produced.

Grievance Mechanism - Speak Up Program Expansion

MFG remains committed to ensuring that workers in its supply chain have safe, accessible, and culturally appropriate channels to raise concerns. MFG continues to collaborate closely with manufacturing partners to deliver programs that empower workers with knowledge of their rights and provide pathways to confidential support. These initiatives are designed to align with, and in some cases exceed, industry expectations for site audit standards.

Following its successful rollout in Türkiye in FY23, MFG planned to extend the Speak Up Program across its supply chain in FY24. Due to heightened modern slavery risks in Indonesia and the integration of newly acquired Bobux factories, initial focus shifted there. Subsequently, MFG implemented the next phase in China, in partnership with one of its largest suppliers operating nine factories, marking a key step in strengthening grievance mechanisms across high-volume production sites.

The Speak Up Program provides workers with confidential access to a secure platform where they can:

- Learn about their rights
- Report misconduct or labour concerns
- Raise issues related to underpayment, forced labour, or exploitation

To ensure accessibility and meaningful engagement, the program materials were adapted to local languages and cultural contexts. Information is delivered through QR codes and visual materials displayed across factory sites, enabling workers to seek guidance discreetly and independently.

MFG continues to work with suppliers to monitor uptake, address any implementation challenges, and ensure the program is embedded as an active grievance and awareness mechanism rather than a static compliance requirement.

Data Governance

Reliable supplier data is critical to MFG's ability to identify and address modern slavery risks in its supply chain. In absence of strong data governance, gaps or inaccuracies in supplier information can reduce transparency, making it harder to monitor compliance with ethical sourcing standards.

The supplier portal, supported by Power BI, allows MFG to utilise the extensive data from its due diligence program. MFG actively uses this data to enhance transparency in its supply chain and analyse potential modern slavery risks.

Accurate supplier data underpins MFG's ability to assess and mitigate modern slavery risks. By ensuring suppliers can confidently use the portal in their own language, MFG reduces the likelihood of misreporting, incomplete information, or misunderstanding of requirements. This strengthens transparency, improves data governance, and enhances its capacity to:

- Identify potential risks in supply chain;
- Monitor supplier compliance with ethical standards; and
- Resolve issues promptly where risks are identified.

Case Study



Strengthening Data Governance Through Supplier Portal Training

In FY25, MFG delivered a dedicated training session for its China-based suppliers on the Supplier Portal (Folio). This training supported both new and existing suppliers to strengthen their capability in maintaining complete and accurate data in the portal. Importantly, the session was delivered with live Chinese translation by MFG's China CSR Manager, ensuring that all participants fully understood the requirements so they could confidently apply them in practice.

The training covered:

- Managing supplier profiles to keep business information current and accurate
- Submitting and updating supply chain data to improve traceability
- Managing and responding to action items, enabling MFG to track and resolve compliance issues
- Accessing and downloading documents such as policies, manuals, and requirements

Training outcomes:

1. 33 suppliers attended (79% registration rate), with highly positive feedback on both content and delivery.
2. Live translation significantly enhanced supplier understanding, reducing the risk of errors in data entry and strengthening engagement.
3. Post-training feedback highlighted supplier interest in further guidance on packaging requirements, inspection rules, barcode portal training, and the Manufacturing Supplier Manual.

In FY26, MFG will build on this initiative by delivering a training webinar focused on the Manufacturing Supplier Manual, supported by bilingual materials to further embed data accuracy and supplier understanding, as explained in criteria 7 below.

Wage Monitoring

MFG recognises that labour exploitation risks can exist even when suppliers appear compliant with local laws. Wage levels are a key indicator of potential vulnerability to unfair treatment, hidden deductions, or coercive practices.

To strengthen oversight and ensure transparency across the supply chain, MFG introduced a new feature in its supplier portal during the reporting year. This enables MFG to record and compare the legal minimum wage against the actual wages paid by suppliers, providing a clearer and more traceable view of wage conditions.

Packaging

MFG has started to transition all its packaging throughout its supply chain and operations to recycled and recyclable materials, in alignment with the Australian Packaging Covenant Organisation (APCO) goals. As a participant of APCO, MFG gains access to industry peers, conferences, webinars, and training resources, all of which contribute to improving MFG's packaging practices.



Case Study

Wage Monitoring

During the year, 55 supplier audits were reviewed using this approach. The findings showed:

- 33 suppliers (60%) were paying above the legal minimum wage.
- The remaining suppliers were paying the legal minimum, with no immediate signs of non-compliance.

This process helps MFG identify suppliers whose wage practices may warrant further attention, particularly where pay sits close to the legal threshold. The approach has also made it easier to detect potential wage-related risks, validate audit findings with real data, and compare practices across regions. The structured recording of wage information has proven to be a practical and reliable way to promote accountability and support targeted follow-up.

MFG will continue to monitor wages as part of its audit review using the Supplier Portal to track wage trends, prioritise suppliers for deeper review where needed, and uphold fair labour standards across its supply chain.



Criteria 5 -
*Assessing the
Effectiveness of
Actions Taken*

Criteria 5 – Assessing the *Effectiveness* of Actions Taken

“We are dedicated to continual improvement, actively strengthening our processes and policies to ensure effectiveness, transparency, and accountability, while maintaining a strong commitment to corporate social responsibility and ethical conduct across all its operations.”

MFG is committed to conducting regular reviews of its modern slavery compliance framework to ensure that, in each reporting period, it is continuously improving its approach to assessing and addressing modern slavery risk.

An overview of the review steps undertaken include:

- A strong internal governance framework which facilitates regular reviews and reporting, including up to the Board.
- Regular reporting from the Supplier Portal, ensuring adequate oversight of due diligence conducted.
- Engagement with internal and external stakeholders, including external legal experts and bodies such as the LWG, the engagement of such assists MFG in reviewing and improving its modern slavery compliance framework.

Internal governance frameworks supporting continuous improvement

During the reporting period, MFG focused on strengthening the framework established in the previous year to ensure it remained effective and fit for purpose in addressing modern slavery risks across its complex supply chain. Given the diversity of MFG’s operations spanning across multi-branded products to a house-of-brands model, strong governance structures are essential to identify, monitor, and respond to potential risks.

To support this, MFG has the following governance framework in place:

- Weekly internal CSR and ethical compliance meetings, which provide a forum to identify potential risks, challenges, and opportunities, including those relating to modern slavery;
- Monthly board reporting, where CSR and ethical compliance dashboards are presented to enhance visibility of risk trends and progress against compliance objectives to the Board;
- Supplier portal insights, including the receipt of supply chain entity change reports, to monitor shifts in supplier relationships and identify potential new areas of risk exposure;
- Weekly supplier portal reports, reviewed against predetermined risk criteria to ensure timely detection and assessment of emerging issues;
- Fortnightly engagement with the China CSR Manager, providing direct insight into supplier challenges and opportunities in a high-risk geographic; and
- Ongoing consultation with Cowell Clarke, an external advisor, to remain informed of regulatory developments, emerging best practices, and evolving industry standards in modern slavery risk management.

These governance measures represent MFG’s proactive and continuous approach to managing modern slavery risks. They not only enable the company to review the effectiveness of its actions but also drive accountability and transparency across its global supply chain.

Collaboration

Valuing the contributions of its external and industry contacts, MFG actively works with external and industry experts to enhance its understanding of modern slavery and environmental requirements and to assess the effectiveness of policies and programs designed to overcome them. This assists us in assessing the effectiveness of its modern slavery compliance framework by ensuring that MFG has feedback from stakeholders both external and internal to MFG's operations which assists MFG in continuously improving its approach to its modern slavery compliance framework.

External

▪ **Cowell Clarke engagement**

Cowell Clarke is a commercial law firm that provides specialist advice and integrated compliance solutions that help MFG manage modern slavery risk.

Cowell Clarke is a crucial partner for MFG, ensuring comprehensive and adaptable CSR compliance. Their ongoing collaboration provides expert guidance for proactively identifying risks, implementing risk mitigation strategies, and aligning practices with industry standards.

▪ **Supplier consultation**

To make informed decisions that align with its values and standards, MFG conducts pre-engagement consultations involving its suppliers, procurement and CSR teams. This collaborative effort allows the business to thoroughly assess potential suppliers' commitment to ethical sourcing, transparency, and adherence to modern slavery compliance standards. This consultation involves:

- Reviewing the Speak Up Program pilot to gauge supplier's awareness, accessibility, and engagement in practice.
- Explaining PO Optimisation requirements to ensure suppliers are correctly implementing onboarding and traceability processes PO optimisation

▪ **Supplier engagement**

Following the "How to Use the Supplier Portal" training, supplier engagement increased significantly. Suppliers are now regularly updating their factory details, audits, contact information, and locations on the portal.

This ensures accurate and up-to-date information, improving traceability, enabling MFG to monitor compliance effectively, and reducing the risk of hidden or unregistered factories. These improvements demonstrate the training's effectiveness in strengthening oversight and preventing modern slavery in the supply chain.

Case Study



PO Optimisation Project

As part of efforts to improve supply chain transparency and mitigate modern slavery risks, MFG undertook the PO Optimisation Project. It identified a gap, while Tier 2 and Tier 3 factories were onboarded, they were not listed in MFG's internal system for purchase order generation, limiting traceability.

In response, MFG required all production factories, regardless of tier, to be formally listed in the system before POs can be issued. System-generated notifications ensure internal stakeholders are informed of factory statuses, preventing POs from being raised to unapproved or inactive facilities.

To evaluate the effectiveness of the PO Optimisation Project, MFG monitored several key indicators:

- Onboarding compliance: The percentage of Tier 2 and Tier 3 factories correctly listed in the internal system for PO generation.
- Purchase order compliance: Instances of POs raised only to approved factories.
- Stakeholder engagement: Internal teams receiving and acknowledging system notifications regarding factory statuses.
- Traceability improvements: Ability to map all production activities to verified and approved factories.

Early results indicate streamlined internal governance and an increase in registered factories, full adherence to the new PO requirements by Trading Companies, and improved visibility for internal stakeholders. These outcomes demonstrate that the PO Optimisation Project has effectively closed traceability gaps, strengthened oversight, and reduced modern slavery risks across all levels of the supply chain.

Speak Up Program Insights

To assess the effectiveness of the Speak Up Program, MFG closely monitors engagement and uptake among workers in its supply chain. During FY25, the program was rolled out across nine factories in China, with content provided in local languages to ensure accessibility and comprehension.

Key metrics and observations include:

- Total interactions: The program has seen strong engagement, with workers actively scanning QR codes to access training and information. Refer below 9 factories engagement scores.
- Local language effectiveness: delivering live training and resources in Chinese (including culturally adapted materials) has been particularly effective, with increased usage compared to standard translations.
- Worker awareness and empowerment: the higher scan rates indicate workers are increasingly willing to engage with the program, learn about their rights, and understand available reporting channels.
- Behavioural insights: early feedback and usage patterns suggest that workers are becoming more aware of grievance mechanisms and feel empowered to raise concerns regarding underpayment, misconduct, or labour rights violations.

These insights demonstrate that the Speak Up Program is achieving its intended outcomes, increasing worker awareness, improving access to grievance mechanisms, and supporting MFG's ongoing efforts to mitigate modern slavery risks in the supply chain. The program continues to be monitored and refined based on these effectiveness measures, ensuring continuous improvement.



Example of a Speak Up poster.

Linked Files Key	Total Workers	Scanned QR Code
Fty. 1	20	90%
Fty. 2	48	92%
Fty. 3	16	113%
Fty. 4	23	78%
Fty. 5	18	61%
Fty. 6	37	54%
Fty. 7	88	69%
Fty. 8	20	80%
Fty. 9	42	45%

QR Code Scanned Reports by Factory during the reporting year.

Industry

Leather Working Group

Since joining the Leather Working Group, MFG has actively participated in information sessions and utilised LWG resources to support its manufacturing partners. Guidance and training have been provided to help suppliers achieve LWG certification and meet the Group's responsible leather sourcing requirements. LWG has been an effective and useful resource for MFG to utilise and has influenced the due diligence and specific projects that MFG has undertaken to conduct due diligence over the last few reporting periods.

Wage Data Trends

MFG analyses wage data from supplier audits to evaluate the effectiveness of its monitoring approach. Trends show that 60% suppliers pay above the legal minimum, while those at the minimum are highlighted for closer review and ongoing monitoring.

This evidence-based approach allows MFG to measure the impact of its actions, ensure continuous improvement, and maintain transparency and accountability across the supply chain.

A black and white photograph showing the silhouettes of three business professionals in a high-rise office. They are standing on a balcony or floor with a large window overlooking a city skyline. The silhouettes are dark against the lighter background of the city. The woman on the left is holding a tablet. The woman in the middle is holding a large roll of paper. The man on the right is holding a smartphone. The city view includes several tall buildings and a dense urban area.

Criteria 6 - Consultation

Criteria 6 – Consultation

“Through a centralised governance framework, MFG ensures that all its wholly owned and controlled entities adhere to the same policies and compliance standards, allowing modern slavery risks to be addressed consistently throughout the Group.”

MFG is the reporting entity for this Modern Slavery Statement and reports on behalf of all the included entities, being the Group described in Criteria 1. In preparing this statement, MFG considered the operations, structures, and practices of its subsidiaries to ensure that the response to modern slavery risks reflect the realities of the Group as a whole.

MFG’s subsidiaries are highly integrated and operate under a uniform governance and compliance framework. The Group maintains centralised headquarters and a common board of directors, which provide governance oversight, sets strategic priorities, and establish the regulatory and compliance framework for all entities. Day-to-day operations are directed by a shared executive leadership team, ensuring that decision-making, including those related to modern slavery compliance, is coordinated across the Group.

All entities adopt the same set of policies and procedures, aligned with MFG’s governance framework and tailored to the sector in which the Group operates. Oversight of modern slavery compliance is managed centrally by MFG’s Corporate Social Responsibility (CSR) team, which supports all entities to implement the Group’s standards, monitor performance, and drive continuous improvement

Due to this high level of integration, consultation across MFG’s subsidiaries is embedded into ordinary business processes. Entities do not operate in isolation; rather, they are connected through the Group’s governance, leadership, and CSR structures. This ensures that modern slavery risks are consistently identified, managed, and addressed across the Group. Consequently, this statement reflects a unified, Group-wide perspective on MFG’s actions and commitments.

The CSR team consults with various stakeholders across the company. This consultation takes place during the preparation of this statement and continues throughout the reporting period. Some of their meeting frequencies are as follows:

CSR Team Meeting (Monthly)

The CSR Team meets monthly to review overall supplier ethical compliance matters. These sessions provide a structured forum to develop strategy, align on key projects, and address governance requirements across both stock and non-stock suppliers. The team uses this platform to track progress, identify challenges, and prepare recommendations for escalation to CSR Managers.

CSR Managers (China & Melbourne HQ – Quarterly)

The CSR Managers in China and Melbourne headquarters meet quarterly to focus specifically on supplier ethical compliance in China. These sessions allow for in-depth discussions on procedural and process improvements designed to further strengthen MFG’s compliance framework.

CSR Compliance Committee (Monthly)

The CSR Team, together with the Chief Procurement Officer (CPO), Chief Financial Officer (CFO), and Head of Risk, convene monthly to address broader oversight and challenges related to ethical compliance risks. These meetings focus on risk identification, remediation measures, and strategic decision-making. Key issues are escalated by the CSR Team to this committee for resolution.

(Note: Until late FY25, the General Manager of Procurement was also a standing member of the Risk Committee. While this role has since been discontinued, the committee continues to meet and perform its responsibilities without disruption.)

The Board (Monthly)

The Board receives a monthly compliance insights report and is consulted on strategic compliance matters as required, particularly in relation to modern slavery indicators or potential human rights violations. The Board plays a critical role in ensuring that MFG and its subsidiaries uphold their core values while meeting all regulatory obligations.

Where required, the CSR Team engages with Cowell Clarke, MFG’s legal partner, to obtain specialist advice and ensure informed decision-making on complex compliance and ESG matters. This regular consultation is critical to ensuring that MFG is continuously improving its modern slavery compliance framework in accordance with the requirements of the MSA, and is aware of proposed changes in the legislative compliance space.



Criteria 7 -
Looking *Forward*

Criteria 7 – Looking *Forward*

“At MFG, we believe ethical business is reflected in every decision and every partnership. By strengthening governance, enhancing supply chain transparency, and embedding modern slavery awareness, we are committed to making responsible decisions that protect human rights and drive sustainable practices across our operations.”

In the coming period, MFG will focus on strengthening governance, enhancing supply chain transparency, and embedding ethical practices across all supplier and operational activities. Through targeted initiatives such as modern slavery training, expanded supplier oversight, and improved risk management processes, MFG is committed to making informed decisions and fostering a culture of accountability, integrity, and continuous improvement.

Accordingly, MFG is committed to delivering the following initiatives in the next reporting period:

Ongoing Governance Review

MFG will continue to review and enhance its governance policies and procedures to ensure they remain fit-for-purpose, transparent, and aligned with regulatory obligations and industry best practice. These reviews will help strengthen oversight mechanisms, clarify responsibilities, and support effective decision-making across all levels of the business.

Expansion of the “Speak Up” Program

Following the successful pilot of the Speak Up program in China, MFG will roll out this initiative across all Chinese suppliers. This program provides employees and suppliers with a safe, accessible channel to raise concerns regarding ethical practices, human rights risks, or non-compliances. By embedding the learnings from the pilot, MFG aims to enhance visibility of issues, encourage open dialogue, and create a stronger culture of accountability and trust.

Modern Slavery Training

MFG will deliver targeted modern slavery training for all team members, with a particular focus on new employees and the Executive Leadership Team. The training is designed to build awareness, strengthen risk identification capabilities, and ensure leaders are equipped to make informed and responsible decisions. This initiative underscores MFG’s commitment to embedding ethical practices into day-to-day operations.

Integration of the Criticality Matrix

The Criticality Matrix, developed to standardise the way non-compliances are assessed, will continue to be applied and further embedded into business-as-usual processes. All supplier audits will be reviewed against this framework, ensuring consistent assessment of issues such as child labour, wages, health and safety, and freedom of association. This approach will enhance MFG’s ability to prioritise risks and implement effective remediation strategies.

Refinement of the Supplier Scorecard

MFG will revisit and enhance its supplier scorecard to ensure it provides more meaningful insights into supplier performance. The scorecard will continue to assess ethical, environmental, logistics, and procurement factors, but with refined indicators to make it a more valuable tool for tracking progress, driving improvements, and strengthening supplier relationships. By ensuring suppliers are assessed holistically, MFG can better align partnerships with its CSR values and business objectives.

Purchase Order Optimisation and Supply Chain Traceability

MFG will strengthen supply chain transparency by embedding requirements into purchase orders that ensure Tier 2 and Tier 3 manufacturing factory information are captured and tracked. This initiative will improve traceability across the extended supply chain, reduce blind spots in sourcing, and provide greater assurance that MFG’s compliance standards are upheld beyond direct suppliers.

Responsible Leather Sourcing

MFG targets having 75% of its leather volume sourced from LWG-certified suppliers by the next reporting period, as part of its commitment to achieving full certification and traceability across its supply chain.

Non-Stock Supplier Risk Focus

MFG will expand its supplier compliance efforts to cover the next set of non-stock suppliers, prioritised based on spend and risk analysis. By applying the same rigorous assessment and monitoring processes used for stock suppliers, MFG will enhance oversight and mitigate risks in categories that may otherwise be overlooked, further embedding ethical practices across its full supplier base.

Approval by the
MFG Board

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This modern slavery statement for the FY25 reporting period was approved by the MFG Board on DD/MM/2025.



Jay Munro
Munro Footwear Group
Director & Chief Executive Officer

Thank you
Munro Footwear Group Pty Ltd
ABN: 59 614 250 501

Annexure: Supplier by *Volume*



Risk Analysis

● LOW ● MEDIUM ● HIGH

M MUNRO
FOOTWEAR
GROUP