

# Modern Slavery Statement

2024

amfori ©  
Trade with purpose

b better  
cotton

REEMI

ascolour.

**This modern slavery statement has been published in accordance with the Australia Modern Slavery Act 2018 (Cth)**

It sets out the steps taken by AS Colour Pty Ltd during the year ending 31st March 2024 to assess and address the risks of modern slavery in its business and supply chains.

The registered office details are:

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## Introduction

AS Colour Pty Ltd (AS Colour Australia) is a clothing company that undertakes the design, marketing, sales and distribution of quality staples. Creating canvases for self-expression that stand the test of time. From the conception of our brand, “doing the right thing” has been important to our team and customers.

Modern slavery describes situations where coercion, threats, or deception are used to exploit victims and undermine their freedom. Modern slavery takes various forms, including slavery by ‘ownership’, servitude, forced and compulsory labour, debt bondage, forced begging, human trafficking and forced marriage. Each day people are tricked or coerced into exploitative circumstances that they cannot escape.

Despite global efforts there is still an estimated 50 million people living in modern slavery, even in countries with high levels of economic development. Modern Slavery is a global issue that has the potential to affect our organisation’s activity and our supply chains. It is crucial that we work to continuously monitor and make meaningful action on any potential destructive human rights impacts within our business practices, and be transparent about what we learn.

The AS Colour group recognises the importance of our supplier relationships and continuing to advocate for and lead in responsible purchasing practices, not believing in contributing to the common and predominate fast fashion model that allows modern slavery issues to continue to grow unabated and keep people living in varying forms of human exploitation. We are committed to sourcing our products and services exclusively from suppliers that conduct business in an environmentally and socially responsible manner, providing safe and free working conditions.

As a company we agree with the reporting requirements of the Australian Modern Slavery Act and affirm all legislations and ventures that push positive social transformation.

This Modern Slavery Statement under the Australian Modern Slavery Act 2018 (Cth), is covering the reporting period from 1 April 2023 – 31 March 2024. While this Statement covers AS Colour Australia, we take a group-wide approach to addressing the complex issue of modern slavery. AS Colour Holdings Limited, and all of its global subsidiaries including AS Colour Australia (together, us, we, our and AS Colour Group) follow group-wide policies and procedures, and our AS Colour Group wide values have informed our



response to modern slavery. Accordingly, in this Statement we have continued to share information about AS Colour Group’s broader operations, supply chain and the steps the AS Colour Group are collectively taking to assess and address the risks of modern slavery.

### Principal Governing Body Approval

This modern slavery statement was approved by the Board of AS Colour Pty Ltd (ACN 130 999 165) in its capacity as principal governing body of AS Colour Pty Ltd (in accordance with section 13 of the Modern Slavery Act 2018 (Cth) on 30 September, 2024.

A handwritten signature in blue ink, appearing to be 'Lawrence Railton', written over a light blue horizontal line.

### Signature of Responsible Member

This modern slavery statement is signed by Lawrence Railton in his role as Director of AS Colour Pty Ltd (in accordance with section 13 of the Modern Slavery Act 2018 (Cth) on 30 September, 2024.

## Partnerships and Collaborations

The AS Colour Group has number of partnerships with key organisations that help support our efforts to identify, assess, and address risks of modern slavery within our operations and supply chain. This commitment requires collaboration on a wide scale to help support the industry and the people in it.

According to the Global Slavery Index women and girls are disproportionately affected by modern slavery. Females account for 68 per cent of all victims of forced marriage. Nearly 4 out of every 5 of those trapped in forced commercial sexual exploitation are girls and women. We are mindful to partner with initiatives that have a focus on supporting women in the work place, encouraging equality and leadership, hoping to change the course of their families lives and breaking long systemic issues.





Reemi is a social enterprise and non-profit, with 100% of their profits going towards helping others. The AS Colour Group has partnered with Reemi to help workers in our factories.

Reemi's work centre's on making periods equitable for all – believing no one should be held back because of their body doing what it was designed to do. At its core, this work is about dignity, education, and long-term positive change. Reemi is conducting leading research in the field of menstrual stigma and the adoption of new health technology. They have conducted and evolved their program within three of our key suppliers in Bangladesh. This means our garment workers, now both men and women, have access to education around menstrual health, helping to break down social stigma and increase awareness of hygiene risks. Together, we've been able to produce and distribute culturally appropriate menstrual health products that aim to end to those hygiene risks. With our support, Reemi is working on a scale up program so that all our Tier 1 suppliers in Bangladesh will eventually have access to the benefits and in a timely manner.

Partnering together allows us to have a greater impact on the lives of garment workers – who are particularly vulnerable to risks of modern slavery globally.





Better Cotton is the largest cotton sustainability program in the world and uses members fees to tackle labour challenges that often exist in the farming sector, aiding in Better Cotton's core vision of a world where all cotton farming is sustainable.

Better Cotton is an ever-evolving programme creating new targets for themselves and their members every year. Working with on-the-ground partners across the world to support cotton communities to build resilience and improve their livelihoods, it has a big focus on women's equality within the cotton farming community and in some cases helps them gain economic independence and or leadership roles. Partnering with an organisation that improve social, environmental and economic outcomes for the industry we are a part of is an important ethos of ours.

Better Cotton believe that all farmers and workers have the right to decent work. Their practices include robust standards prohibiting forced labour and promoting decent working conditions. Better Cotton work collaboratively with other initiatives and stakeholders to continuously improve their standards and have removed themselves from certain regions that are known for their use of modern slavery until there are no longer any forms of slavery and religious freedom is granted in those areas.





Our group auditing partner amfori is a leading business association for transparent and sustainable trade. Their vision, 'Trade with purpose' helps members monitor and improve their supply chains to deliver social and environmental benefits.

amfori Business Social Compliance Initiative (BSCI) incorporates our Code of Conduct including a focus on environmental sustainability, assessing the manufacturers compliance against the Code, local labour laws and internal social standards. Based on findings during the audit, amfori provides a corrective and preventive action plan for the manufacturer to improve where identified and needed. Through joining this program, we have access to a personal sustainability intelligence dashboard allowing us to clearly visualise our complex supply chain, providing a single source for all supply chain performance information. Through amfori we are connected to other member brands, have access to conferences, training and support relating to issues that supply chains face. Our suppliers are also provided workshops and training through our membership, helping them grown their knowledge and skill set on employment treatment and rules. We understand that success in addressing the more complex issues involved with modern slavery cannot be achieved independently and therefore a collaborative approach is essential in developing solutions. We believe joining amfori was an important step towards this.



## BAPTIST WORLD AID

Baptist World Aid Australia is a Christian NGO supporting individuals and communities around the world with the goal of global poverty eradication.

Following the tragedy of the Rana Plaza factory collapse in Bangladesh, Baptist took action to spot light what fashion brands are doing to address modern slavery risks to workers in their supply chains, and surveying/grading apparel companies in The Ethical Fashion Report. Tearfund offer support to New Zealand based participating companies. Other entities in the AS Colour Group have participated in this report since 2016 and acknowledge the value of collaborations between NGOs and brands and benchmarking against others and the AS Colour Group year on year.





# Structure, Operations and Supply Chain of AS Colour Group



AS Colour Australia is the Australian subsidiary of AS Colour Holdings (the ultimate parent company of the AS Colour Group). AS Colour Holdings is a medium-size company, employing 400 people across the global business. Founded and headquartered in New Zealand, we have subsidiaries in four countries:

**Australia - AS Colour Pty** (the reporting entity under this Statement)

- New Zealand - AS Colour Limited;
- United States - AS Colour Inc; and
- United Kingdom - AS Colour UK Limited.

**Reporting Entity**

AS Colour is a private company majority owned by the family of its founder, Lawrence Railton. New Zealand investment firm Direct Capital is a minority shareholder. Both groups are represented on the Board of Directors of AS Colour Holdings and have had oversight of this Statement.

The reporting entity for the purposes of the Modern Slavery Act is AS Colour Pty Ltd (ACN 130 999 165) (**AS Colour Australia**) with its registered office at 9 Customer Place, Truganina Victoria 3029. AS Colour Australia is submitting and publishing this Statement for the 1 April 2023 to 31 March 2024 reporting period. AS Colour Australia makes this Statement in accordance with section 13 of the Modern Slavery Act as a single reporting entity.

**Structure**

AS Colour Australia is an Australian private company limited by shares and is incorporated in Australia. It has 117 employees in Australia. AS Colour Australia does not own or control any other entities for the purpose of the Modern Slavery Act.

**Operations**

AS Colour Australia is responsible for the operations of the AS Colour Group in the Australian territory. Its main operations include the sales and distribution of essential clothing and accessories through online and retail channels, where we employ staff and lease and operate 9 retail stores across Australia.

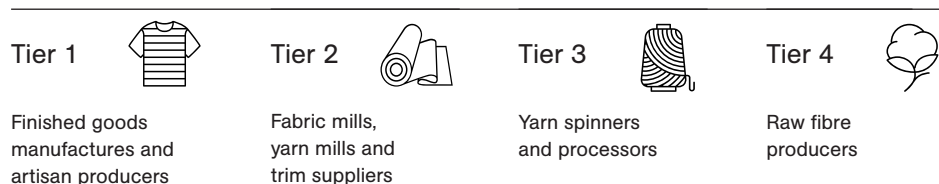
Our global operations include the distribution of essential clothing and accessories through company operated warehousing in each of the global subsidiaries listed above. Globally, the AS Colour Group. We have 15 retail stores across New Zealand, 10 throughout Australia, two in England, UK, and one in California, USA.

AS Colour Group source materials and products from the same global supply chain for AS Colour Australia and all entities. Australia and the AS Colour Group more generally do not own the factories in which our products are made. Instead, we engage with long-term suppliers to manufacture on our behalf, some of which we have worked with for over 10 years. We primarily source clothing and accessories from manufacturers in Bangladesh and China, and more recently adding Vietnam as another sourcing country.

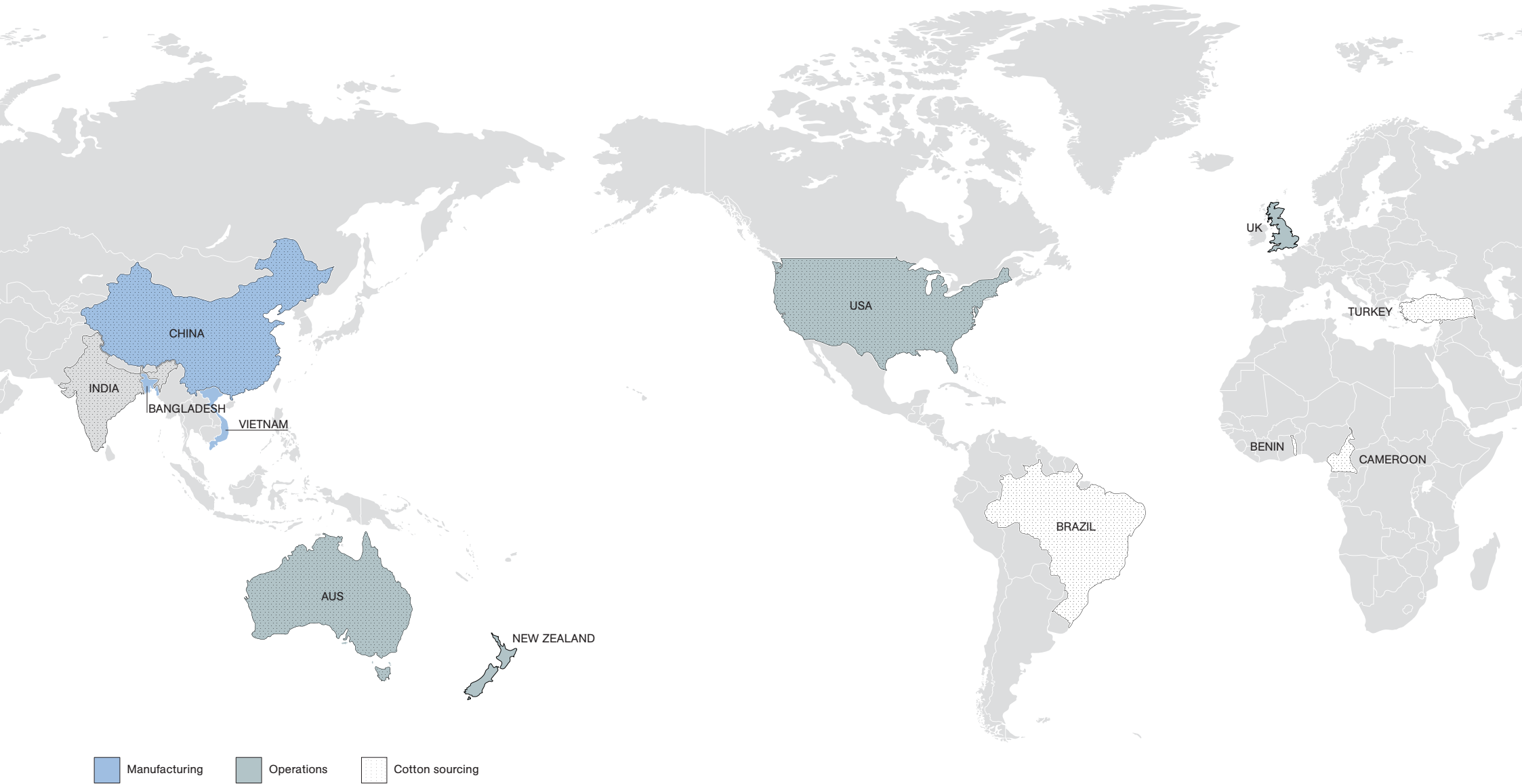
We maintain direct contracts and long-term business relationships with each Tier 1 supplier (direct suppliers). As a group we have a total of 33 business partners, 10 of which are significant business partners, which means they represent a large share of our purchasing volume. 95% of our producers are registered in the BSCI platform. We have visibility over our downstream chain through including indirect suppliers in Tiers 2 & 3.

AS Colour Australia also uses other people-based resources and non-trade goods for the day-to-day operations of the company which include local labour for cleaning, gardening, and building maintenance. AS Colour Australia also source local office supplies, packaging, building and warehousing resources, shop fit-outs, printing, catering, and seasonal labour.

**Our supply chain tier key:**



# Global operations



## The risks of modern slavery in the operations and supply chains of AS Colour Group

Supply chains are complex and having visibility over the working conditions beyond your direct suppliers continues to be an industry wide challenge. The commonwealth Government in Australia has identified the textiles and fashion industry as a high-risk industry globally. According to the Global Slavery Index Asia and the Pacific, our Tier 1 sourcing region has the largest number of people in modern slavery having measured 29.3 million total.

To understand where we have the biggest risks, AS Colour Group has undertaken the following risk assessment for risks in our operations and our supply chains. AS Colour Australia's risks in relation to modern slavery are set out in the following pages. As our approach to modern slavery is informed by the AS Colour Group's global approach, we have also provided information regarding risks identified by other entities in their operations, even where these entities are not 'owned' or 'controlled' by AS Colour Australia.

We substantiate our analysis of risks through Walk Free Global Slavery Index, media monitoring, industry collaboration and the amfori monitoring tools to identify countries that present the highest level of risk of human violations, with a focus on our most direct countries of operation.



# Australia

Risk level: **Low**

Areas of risk

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**Contracting services visibility i.e. cleaners; and**

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**Labour in cotton sourcing operations**

Australia is currently a lower risk country with less vulnerability to modern slavery compared to other countries. According to the 2023 Global Slavery Index Australia has the second highest government response to action against modern slavery among 176 countries measured. Certain industries in Australia, such as the agriculture and food workforces have been linked to instances of modern slavery, however these risks are low compared to other regions. We have identified our biggest potential risk being the sourcing of cotton in Australia.

Further, whilst we hire migrant workers in our direct operations, all worker contracts are compliant with standard local labour laws and workers are entitled to sick leave, annual leave and union membership.

Based on the steps we have taken to assess modern slavery risks; we are not aware of any instance of modern slavery in respect of our AS Colour Australia's operations or supply chains.



Percentage of production

0%

# Bangladesh

Risk level: **High**

Areas of risk

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**Unauthorised sub-contracting**

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**Labour recruiters and bonded labour**

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**Female exploitation and violence (Gender Inequality)**

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**Sub-minimum wages**

50% of our global production is based in Bangladesh. Classified as one of the Least Developed Countries by the United Nations, Bangladesh is one of the top garment exporters globally, with low labour costs attributing to their ranking. We have identified Bangladesh as our highest-risk country for our business. This is due to increased risks of modern slavery for domestic migrant workers, the continuation of gender-based violence, and violence against labour rights protests and human rights activists, leaves the country open to human rights violations, unsafe conditions and slow progress. There are also high levels of overtime and risks associated with building safety.

While no cases of modern slavery have been identified in our Bangladeshi supply chain during the Reporting Period, withholding of wages continues to be an issue for workers throughout the country. We believe that businesses that deal in Corporate Social Responsibility (CSR), have lower risk of exploitation in their supply chains due to increased understanding and education around the issues and foreign presence. Our aim is to continue working on our CSR obligations to minimise risks of modern slavery in Bangladesh.



Percentage of production

# 50%

Based in Bangladesh and classified as Least Developed Country

# China

Risk level: **High**

Areas of risk

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**Unauthorised sub-contracting**

---

**Labour recruiters and bonded labour**

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**Child labour or young labour; and**

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**Unethically sourced cotton**

The Chinese garments industry is considered the largest manufacturer and exporter in the world. This country produces approximately 52% of the global garment production and is responsible for about 45% of AS Colour's production. China is considered to be amongst the least democratic countries in the world. Freedom of speech, assembly and religion are all severely restricted by the government. The Chinese government doesn't allow unions with full legal independence from the national trade union. Further, worker strikes are illegal and overtime is prevalent.

State imposed labour camps are still present in 2024 with outside access and remediation restricted. We manufacture in the more developed part of China where modern slavery is less prevalent due to foreign engagement in day-to-day business. However, we see China as being our second highest risk country for the potential risk to cotton sourced through banned regions making it into our products unknowingly.

We are particularly aware that raw materials, such as cotton has been linked to instances of modern slavery in the Xinjiang regions of China and we have taken specific steps to address this risk (see discussions under "Cotton Risks").



Percentage of production

# 45%

# New Zealand

Risk level: **Low**

Areas of risk

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**Lack of reform**

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**Contracting services visibility i.e. cleaners**

According to the 2023 Global Slavery Index, New Zealand is considered a lower-risk country with less vulnerability to modern slavery compared to other countries. Migrant worker exploitation has been found within the horticulture, construction and hospitality sectors however in very low cases. Modern slavery reporting is not yet compulsory in New Zealand. New Zealand introduced the Modern Slavery

Reporting Bill to improve accountability and transparency by businesses in relation to modern slavery in their operations and supply chains, however since 2023 the bill has still not passed and has had no progress.

At present, AS Colour Limited (NZ entity) has a contract for offshore administrative staff that are located in the Philippines. These employees are only assigned to work for one company, being AS Colour Holdings through their agent. We also hire migrant workers in our direct operations. All offshore and migrant employees' have contracts that are compliant with standard labour laws, and work for us like any one of our New Zealand employees; e.g. 40 hours per week, entitled to sick leave and annual leave. Based on the steps we have taken to assess modern slavery risks; we are not aware of any instance of modern slavery in respect of our AS Colour Australia's operations or supply chains.



Percentage of production

0%

1 This risk-assessment of New Zealand was not undertaken by AS Colour Australia and AS Colour Australia does not own or control AS Colour Limited for the purpose of the Modern Slavery Act.



# United Kingdom

Risk level: **Low**

Areas of risk

## Contracting services visibility i.e. cleaners

The United Kingdom (UK) has been at the forefront of international efforts to tackle modern slavery and has shown the strongest government response globally. However, changes to UK immigration policy have

threatened to discriminate against and criminalise vulnerable people. Most cases of modern slavery found in the UK are in industries reliant on migrant workers. Female exploitation of migrant women in domestic work roles has also been prevalent in recent years.

We hire migrant workers in our direct operations. All workers contracts are compliant with standard local labour laws and are entitled to sick leave, annual leave and union membership.

Based on the steps we have taken to assess modern slavery risks, we are not aware of any instance of modern slavery in respect of our AS Colour Australia's operations or supply chains.

Some workers still need aid to leave abusive employers without risk of loss of visa and deportation and/or security deposits due to laws or policies that empower employers first.



Percentage of production

0%

<sup>2</sup> This risk-assessment of the United Kingdom was not undertaken by AS Colour Australia and AS Colour Australia does not own or control AS Colour UK Limited for the purpose of the Modern Slavery Act.

# United States

Risk level: **Medium**

Areas of risk

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**Contracting services visibility i.e. cleaners**

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**Labour in cotton sourcing operations**

The United States is a developed country with a polarised political landscape. Territorial and racial inequalities create labour risk. According to the 2023 Global Slavery Index, it is estimated that just over 1 million people live in modern slavery in the United States. Labour breaches found in the textile industry are common, however we do not manufacture in the United States and consider there is no likely link to modern slavery through our product or services. There are cases of labour trafficking, primarily in domestic work, agriculture and farming, construction, retail, hospitality, and illicit activities, among other sectors. Migrant/foreign nationals account for a large portion of the forced labour exploitation cases, with vulnerability primarily driven by a lack of acceptance of migrants, racial and gender discrimination, poverty, and forced labour imposed by the state.

Our biggest potential risk is through cotton sourced from the United States and lack of traceability down to farms.

We hire migrant workers in our direct operations. All workers contracts are compliant with standard local labour laws and are entitled to sick leave, annual leave and union membership.



Percentage of production

0%

<sup>3</sup> This risk-assessment of the United States was not undertaken by AS Colour Australia and AS Colour Australia does not own or control AS Colour Inc for the purpose of the Modern Slavery Act.

# Vietnam

Risk level: **High**

Areas of risk

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**Unauthorised sub-contracting**

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**Labour recruiters and bonded labour**

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**Female exploitation and violence (Gender Inequality)**

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**Child labour**

Vietnam is currently only producing about 5% of our production volume. They are one of the largest apparel suppliers in the world. Vietnam has many forms of modern slavery present, according to the 2023 Global Slavery Index Vietnam is one of 17 countries that still has state-imposed forced labour.

Bonded labour without pay or with heavy reductions overtime, and child labour are considered among some of the most common types of slavery in Vietnam. A lot of these issues prevail in Vietnam due to lack of enforced regulation. Though no issues have been found in our Vietnamese supply Chain, we are wary of the risks related to sourcing in a country with low governing law.

Criminalisation of human trafficking in line with international conventions is still needed.



Percentage of production

**5%**

### **Cotton Risks**

Farms are Tier 4 of our supply chain and are the hardest to trace back to origin with 100% certainty. We currently allow suppliers to source cotton globally, but the AS Colour Group introduced bans on certain regions or countries when we are made aware of practices that are in conflict with basic human rights and decent treatment of workers. We recognise that Tier 4 is currently our highest risk in our supply chain.

Cotton production has a long history of slavery, and continues to be harvested by men, women, and children working in conditions tantamount to modern slavery. Children are recruited to pick cotton due to the perception that smaller hands reduce damage to crops. In some countries, such as Turkmenistan, China, and formerly in Uzbekistan, it is the governments that have forced their citizens to work in the production of cotton.

We will continuously look for tools to assess and manage the risks in our supply chain. With persistent allegations of forced labour and forced assimilation in Xinjiang, China we have implemented an agreement with our suppliers in China and Vietnam to not source from this region until such time that there is clear evidence of a change. A similar ban on cotton sourced from Turkmenistan has been in place for many years. We recognise that Tier 4 is currently our highest risk in our supply chain. We will continuously look for tools to assess and manage the risks in our supply chain.

### **Added Risk**

The COVID-19 pandemic was accompanied by widespread reports of forced labour linked to the crisis. Disruptions to income because of the pandemic led to greater indebtedness among workers and with it reports of a rise in debt bondage among some workers lacking access to formal credit channels. The crisis also resulted in a deterioration of working conditions for many workers, in some cases leading to forced labour. The World Bank indicates that extreme poverty – one important metric of forced labour risk – remains far higher than the pre-pandemic trajectory and the International Labour Organisation (ILO) reports that the jobs recovery has stalled in much of the world.

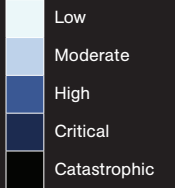
### **Living Wages**

Garment workers within supply chains, face poor or exploitative working conditions, including poverty wages, piece-rate pay, forced and unpaid overtime, irregular work, health and safety risks, and lack of benefits such as maternity leave. In their most extreme forms, these exploitative practices can lead to situations of forced labour and debt bondage.



**Country Risk Assessment\***

	Australia Operations	Bangladesh Manufacturing	Benin Cotton Source	Brazil Cotton Source	Cameroon Cotton Source	China Cotton Source, Manufacturing	India Cotton Source	New Zealand Operations	Taiwan Cotton Source	Turkey Cotton Source	United States Operations	United Kingdom Operations	Vietnam Cotton Source, Manufacturing
Workers not provided written employment contracts in a language they understand.	Low	Moderate	Moderate	High	Moderate	Moderate	Moderate	Low	Low	Low	Low	Moderate	Low
Sexual exploitation and abuse. Particularly to women.	Low	High	Critical	Moderate	Critical	Moderate	High	Low	Low	Low	Low	Low	Critical
Excessive and/or involuntary overtime.	Moderate	Critical	Moderate	Moderate	High	High	High	Low	Moderate	Low	Low	Low	High
Withholding of wages or wage penalties.	Low	Critical	High	High	High	High	Moderate	Low	Moderate	Low	Low	Low	Moderate
Precarious employment - poorly paid, unable to support a household.	Low	Critical	Critical	High	Critical	Moderate	Critical	Moderate	High	High	Low	Moderate	High
Child or dangerous youth labour.	Low	High	Critical	Moderate	Critical	Moderate	Moderate	Low	Low	Low	Moderate	Low	Low
Restrictions on freedom of movement. Bonded or Forced Labour.	Low	High	Moderate	High	Moderate	Critical	Critical	Low	Moderate	Critical	High	Moderate	Critical
Temporary and or migrant workers.	Moderate	Moderate	Low	Moderate	Moderate	High	High	Moderate	Low	High	High	High	Moderate
Right to freedom of association.	Low	Critical	High	High	High	Critical	High	Low	High	Critical	Moderate	Low	High



\* This is a geographical risk analysis showing the known activities in each region. The risks in this table are not directly linked to our operations in each country.

The actions taken by AS Colour Group to assess and address the risks of Modern Slavery.



# Policies, Procedures and Contractual Controls

AS Colour Group, including AS Colour Australia, strives to maintain high standards of employee conduct and ethical behaviour when operating abroad and managing our supply chain. The actions we take to mitigate risks of modern slavery in our operations and supply chains in Australia are informed by the AS Colour Groupwide approach. Since 2018, our organisation has been a participant of amfori (BSCI) of the Foreign Trade Association which support companies to drive social compliance and improvements within the factories of our global supply chains.

We have aligned our own Code of Conduct with amfori and promote their terms of implementation, cascading it through our supply chain. The Code of Conduct outlines the labour standards that seek to achieve decent and humane working conditions, free and fair labour that is safe and absent of any forms of abuse, punishment or harassment.

Our manufacturers are required to respect the Code of Conduct, collectively remediate issues if found and always allow / comply with inspection from approved third parties.

Zero tolerances or flagrant disregard for decent working conditions have an action-based approach and do not lead to the immediate termination of our business relationship.

## Relationships

AS Colour Australia and the AS Colour Group more generally highly value our relationships. We have formed strong and trusting partnerships with our suppliers which is crucial to having the best possible visibility and meeting due diligence requirements. This ensures honest insight and feedback, fast remediation and alternative approaches to fixing smaller areas of noncompliance. Our Social Responsibility Lead and Managing Director travelled to Bangladesh in November 2023, to gain greater insight from some of our key global suppliers manufactures and working conditions in Bangladesh. We consider that in-person visits are an important assurance measure to assist to verify information provided in audits.

## Auditing & Remediation

All our global factories are audited at least once every 12 months. The frequency of the audit depends on the findings and grading of the specific factories. These audits are carried out by amfori approved testing, inspections and certification companies. They assess 13 different performance areas that aid in upholding the Code of Conduct. Amfori platform hosts the audit results for all entities linked to the supplier to see at once. This is an important feature that helps reduce the compliance burden for our suppliers who are reporting to more than just us.

Once an audit is complete the findings and evidence are available on the amfori platform. It is here that a remediation plan or Corrective Action Plan (CAP) is also submitted if needed. We action any identified risks in the following manner:

- Anything critical will need to be remediated immediately
- Anything serious but not critical will require a follow-up audit in 3 months; and
- Minor issues will require follow-up audits in 6 months.

## Sub-Contracting

No supplier of the AS Colour Group is permitted to subcontract work without our prior approval, and only after the subcontractor has gone through our standard onboarding processes. All samples and bulk production orders must be placed within facilities that have been pre-approved by a relevant AS Colour Group entity, without exception. In-line inspections on each production order provides added evidence for compliance.

### Policies

To aid in addressing any cases of modern slavery that are identified during audits or visits, we have developed a group Child Labour and Forced Labour Procedure Policy.

Recruitment practices are in line with those recommended by the ILO, BSCI & governments in order to meet criteria of transparency and security towards job seekers and workers. The AS Colour Group commits to a policy of zero recruitment fees and adheres to a Zero Tolerance Protocol to immediately respond to human rights violations such as trafficking and, bonded or child labour, should it be identified in our supply chain.

Our internal policies and procedures aim to assist us to pursue a solid human rights due diligence process throughout our supply chain, giving us:

- Procedures to identify business areas and partners that may represent a risk of slavery and/or human trafficking in our supply chain;
- Procedures on responsible recruitment concerning identifying, selecting and hiring staff members with utmost respect of their rights; and
- The ability to receive complaints from workers, communities and their representatives in the supply chain who believe that they have been adversely affected by our business partners..

### Special Contracts

When a more prominent risk to human rights and ethical treatment is identified in our global supply chain, different measures of due diligence are required. We have a ban of cotton sourced in countries of concern and will not lift the ban until there is clear evidence of reform. Currently our suppliers have signed agreements with us to not knowingly source cotton from Turkmenistan and Xinjiang. We know we do not operate in these regions but understand that cotton segregation is more difficult to track at this stage.

### Training

Training is an important part of our modern slavery risk management. Our suppliers all have voluntary in person workshops, online webinar and courses in their local language through amfori, these courses are continuously made available. These are on modern slavery related topics and labour practices, including gender discrimination and labour hire ethics.



Our Social Responsibility Lead and Production Manager, who is responsible for procurement, have attended workshops on How to Address Modern Slavery and Working with Remediation Plans. Our Social Responsibility lead has continuous training and education through amfori, Better Cotton and Baptist World Aid/The Ethical Fashion Report webinars.

Our Social Responsibility Lead attended a two-day conference held by amfori in Early 2024, this included workshops on Forced Labour – Discussing Challenges and Possible Solutions and provided insight into case studies from other members.



## Due diligence and remediation

AS Colour Australia and the AS Colour Group is committed to acting diligently in assessing actual and potential adverse impacts of our business against the values and principles of our Code of Conduct; identifying throughout the supply chain where the most significant risks for these adverse impacts may occur and acting on them with the aim of preventing and/or addressing them efficiently and effectively.

We believe the duty to prevent is the best due diligence a company can do towards minimising the potential for modern slavery to be present in our/any supply chain.

**In this context, we have undertaken the following due diligence steps during and prior to the Reporting Period:**

- We have done capacity building assessments with all suppliers so that we can understand what standard volume and time frames all suppliers need to fulfil each purchase order. This can be reassessed if suppliers grow and/ or lose staff and is something we will raise awareness of if we notice a change in quality, sampling or fulfilment time. Suppliers are also free to ask for longer lead times or decline orders at no risk to their value in our supply chain.
- Supporting supply chain traceability by increasing transparency of our suppliers, their activities and their supply chains. Through the amfori platform, supplier visits, in-house checking and invoice collecting giving us a good understanding of the chain of custody for each product/purchase order.
- Putting in place grievance mechanisms for individuals and communities who may be adversely affected by our organisation's activity.
- Requesting all business partners to sign the BSCI Code of Conduct and Terms of Implementation and asking them to pass it onto their own significant partners, creating a positive cascade effect.
- Evaluating the risk of new suppliers before onboarding them. Assessing current audits or requesting one ourselves. All new suppliers need to join amfori if we move forward with them as a supplier.
- We allow for long lead times and don't implement penalties for late shipments.
- Training our team members and suppliers, to increase awareness of human rights and modern slavery risks.
- Our strategy for field level due diligence is to gain 100% Sustainably sourced cotton with a combination of Better Cotton, Organic Cotton, Recycled Cotton and Australian Cotton.

We do not knowingly or intentionally contribute to actions that may facilitate or incentivise modern slavery. As a company we do not request suppliers or internal HR to find the cheapest possible labour for a project, or turn a blind eye to evidence that the workers were being exploited. We do not set unrealistic cost targets and delivery timeframes for a supplier, which could only be met by using exploited labour.

### **Worker Voice Survey**

In the last statement AS Colour Australia and the AS Colour Group recognised that we needed a deeper level of visibility into our tier 1 suppliers beyond the BSCI audits.

Amfori launched a worker voice survey called Speak for Change in Vietnam and Bangladesh in late 2023 with 4 other initiatives WRAP, RBA, Ethical Toy and SAI. This macro-level survey allows workers to anonymously, privately and safely answer questions on specific risk areas allowing us a clearer snapshot of the conditions in our supplier regions beyond the audits.

### **Better Cotton Approach on Decent Work**

Better Cotton aims to work together with producers and communities to tackle the root causes of human and labour rights challenges, holistically and collaboratively. It also puts a greater emphasis on supporting and investing in field-level systems and stakeholder collaboration to prevent, mitigate, identify and address issues, so that responsibility and accountability are locally owned and shared. The 'Assess and Address' approach aims to support better identification and mitigation of risks, as well as improved case management capabilities. It also brings greater farm-level emphasis on prevention and protection, driven by genuine commitment, communication and continuous monitoring.



# Findings

We have 33 Tier 1 Suppliers that we monitor through the amfori platform and audits. In the current reporting period, AS Colour Australia and the AS Colour Group have not identified any cases of modern slavery in its operations and supply chains during the reporting Period. No auditor has alerted us of flagrant bonded labour or human trafficking or any forms of modern slavery that required imminent remediation from our side. To date, no worker has reported misconduct in any form through the grievance channels.

Since our last reporting year our suppliers have improved their overall performance. We note there was an increase of monitoring with the results of No longer having a supplier with a D rating and an increase in A & B ratings.

While we know who our downstream sourcing is and countries of origin for raw materials, we have very little visibility over the working conditions of Tier 3 (Cotton Spinners) and Tier 4 (Cotton Farms) of our supply chain. We cannot reliably report on what the risks of modern slavery are in this part of our direct supply chain beyond country data.

For this area of our supply chain, we do have raw material and chemical accreditations. These provide an extra layer of visibility and assurance, providing the company with confidence in the sourcing and handling of these products. These include Better Cotton, Responsible Down Standard, GOTS & Oeko-Tex.

- No confirmed zero tolerance cases found;
- Two cases of payment below minimum wage;
- One case of Health & Safety non-conformity;
- Fifteen cases of over time breaches; and
- We have identified three main areas that are low scoring: Social Management System, Decent Working Hours and Occupational Health and Safety.

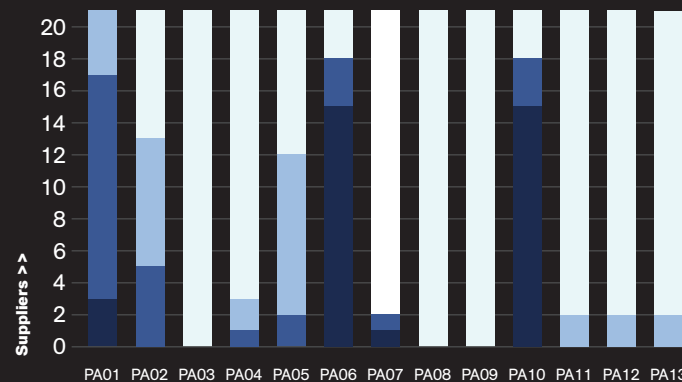
## Overall audit scores for 2023\*



\*Some producers were audited more than once in a year which is why total numbers in graph are higher than number of producers we have.

- **A Very Good:** The auditee has the level of maturity to maintain improvement process without the need for a follow-up audit.
  - **B Good:** The auditee has the level of maturity to maintain improvement process.
  - **C Acceptable:** The auditee needs a follow-up to support its progress.
  - **D Insufficient:** The auditee needs a follow-up to support its progress. Remediation Plan needed within 60 days.
  - **E Unacceptable:** Close observation needed by participants. Re-audit scheduled to see remediation on higher risk areas.
- Zero Tolerance:** Immediate action required. Amfori Zero Tolerance protocol is to be followed.

## Monitoring results by performance area



## Performance Areas Descriptions

- PA01 Social Management System and Cascade Effect
- PA02 Workers Involvement and Protection
- PA03 The right of Freedom of Association and Collective Bargaining
- PA04 No Discrimination
- PA05 Fair Remuneration
- PA06 Decent Working Hours
- PA07 Occupational Health and Safety
- PA08 No Child Labour
- PA09 Special Protection for young workers
- PA10 Decent Working Hours
- PA11 Occupational Health and Safety
- PA12 No Child Labour
- PA13 Special Protection for young workers



### Remediation

Remediation plans are loaded onto the amfori platform, these plans are generally minor issues of non-compliance such as, labelling hazardous containers improperly and therefore photo evidence is also included & remediation is timely.

Slightly bigger non-compliance issues like not having the correct paperwork, results in the creation of Corrective Action Plans (CAPs) with timelines included. The correct paper work will also be found here once available.

Where CAPs or evidence is not found on the platform, we work collaboratively with our supplier to fix the issue or obtain evidence of issue resolved.

We have not yet needed to involve our Social Compliance Partner for further assistance and have not found any cases of slavery where greater interference has been needed. Should a case of slavery be found in our supply chain we would take the following steps to address the issue:

- Identify the issue;
- Inform Directors & the Board;
- Investigate the issue with the Auditor or whistle blower (if safe to), factory, NGO/ Labour Rights Specialist or authorities (if safe to);
- The individual/s affected must be removed from vulnerable working conditions immediately.
- The individual/s affected will be given sufficient support, including access to compensation and/or continued financial support, and other forms of remedial assistance such as housing, welfare and healthcare.
- Agencies/labour providers/suppliers implicated in such cases must be investigated.
- A remediation action plan to be developed collaboratively with the supplier, local NGO/Labour Rights Specialist and AS Colour to develop a responsible solution that is in the best long-term interest of the individual/s affected.
- If the plan is agreed upon and actioned successfully, AS Colour Australia or the relevant entity within the AS Colour Group will continue its business relationship with suppliers and providing them with support.
- If the plan is rejected or offences are not dealt with in a timely manner, we will terminate our commercial relationships with the supplier without abandoning the individuals needing support.

# Assessment of our effectiveness in preventing and combating Modern Slavery

We understand that forced labour, human trafficking and slavery risks are not static, therefore we seek to track, measure and evaluate our internal due diligence processes to better understand our performance, progress, effectiveness, remaining risks and impact of our own operations and those of our business partners.

## Audit results

During our reporting period there were zero tolerances found in any of our suppliers and nothing flagrant was raised in our audits. We recognise that with 29million people living in slavery in the Asia Pacific region alone the likelihood of no cases of slavery in our supply chain is not realistic. We note that our audits could be failing to find issues potentially present.

## Process to regularly review

The BSCI insights tool helps us define overall goals and targets to assess our progress in achieving them. Through this platform we are able to see:

- Our supply chains' business partners areas of continuous improvement;
- Our supply chains' business partners stagnant or declining in performance areas;
- Common country-based issues or areas of non-conformity; and
- Amfori courses completed by our members.

## Training

We encourage both internal staff and significant business partners to build their set of skills on human rights and modern slavery through relevant courses, these are available as in person workshops and, online webinars through amfori via our membership.

## Our own staff have undertaken the following training:

- Attended in person workshops hosted by amfori on 'How to Identify & Address Modern Slavery';
- Attended training on 'How to work with Remediation Plans',
- Undertaken Forced Labour and Modern Slavery online courses through amfori and The Mekong Club;
- Undertaken Tackling Modern Slavery & Due Diligence online course; and
- Undertaken continuous training and education through amfori, Better Cotton and Baptist World Aid/The Ethical Fashion Report webinars.

## Our business partners have undertaken the following training: (In their local language)

- Forced Labour & Modern Slavery Workshop;
- Women's Equality course online;
- Fair Remuneration and Decent Working Hours course;
- Continuous improvement through Remediation.;
- Child labour policy, anti-discrimination, anti-harassment, women's protection training; and
- Speak for Change implementation training.

## Our suppliers also hold trainings for all workers regularly, these include:

- Freedom of association;
- Harassment and Abuse Awareness Training;
- Grievance Awareness Training;
- Employment Rights;
- Anti-Corruption & Anti Bribery Training; and
- Women empowerment in the workplace.

### **Purchasing Practices**

The overriding feedback from our suppliers and industry experts is that the fast fashion buying cycle remains their biggest challenge. The positive feedback about the AS Colour Group is that they do not consider the model of our business to fall into this category, and despite our relatively smaller volumes, our business is appreciated due to our consistent order placements and systemised working practices, including the fact that we continue to invest our time and resources to understand the reality of production lead-times, that we understand the true value of quality, and cost of a product. These factors have definitely all contributed to the long-term success and sustainability of our supply base and our expectation and policy is that all members of our team continue this approach.

We continue to receive external recognition for our approach to protecting workers and the environment. In the 2022 Ethical Fashion Report we were the third highest-scoring company among 581 companies that were surveyed and benchmarked in the apparel and footwear sector.

### **Risk assessment process**

Media monitoring and industry collaboration offer the best assurance that our risks understanding remain up to date, giving us the ability to identify and act as issues arise in countries of operations.

### **Grievance Mechanism**

We still have no reported grievances through our private channels. We have had a direct email and help line posted in the local languages in our factories and on factory community boards since 2018. We recognise that not having reported issues through this mechanism, doesn't mean there are no issues present, but rather that this method might not be the most effective.



## Consultation Process

As provided above, AS Colour Australia is the only 'reporting entity' for the purpose of the Modern Slavery Act and submits this Statement as a single reporting entity under the Modern Slavery Act.

AS Colour Australia does not 'own' or 'control' any entities for the purpose of the Modern Slavery Act. That said, our consultation process included ongoing discussions at an AS Colour Group level on potential risk factors, agreeing on action plans to address such risks and implementing long-term due diligence on any arising matters.

AS Colour Australia Board of Directors are responsible for reviewing and approving the statement. This process includes reviewing draft statements. This statement reflects the work done in support of the board and the wider AS Colour Group, including AS Colour Holding as the ultimate parent company of the AS Colour Group.

## Further steps

Based on the effectiveness assessment of our activities and our knowledge on the continuous growth of this issue, we plan the following improvements in future reporting years:

We will continue to develop our due diligence practices and deepen our understanding of our supply chain risks. This includes the development of a multi-tier overview on our supplier platform and taking on responsibility for key suppliers down stream supply chain.

### **Speak for Change**

Support the roll-out of the Speak for Change program in the remainder of our suppliers through Bangladesh.

### **Take a risk-based approach**

Currently we have one approach to our supplier engagement and due-diligence but we recognise that we need to take a more risk-based approach with our suppliers, tailoring efforts on where we see risk to people.

### **Supplier training at management level**

We continue to encourage continuous re-training and workshops on Modern Slavery topics through amfori over the next few reporting periods. We recognise that our supply chain members will have different levels of understanding about modern slavery risks and will monitor what learning they are actively working on.

### **Collaboration**

Further immerse our key roles in collaborative action and learning. Including attending conferences and working groups actively giving feedback to influence change and tools provide to both ourselves and our suppliers where we see need.

## Statement Annexure

<b>Section of the Modern Slavery Act</b>	<b>Mandatory criteria</b>	<b>Page #</b>
13	Approval and signing of Statement	1
16(1)(a)	Identify the reporting entity.	1
16(1)(b)	Describe the reporting entity's structure, operations and supply chains.	7–9
16(1)(c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	10–19
16(1)(d)	Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	20–26
16(1)(e)	Describe how the reporting entity assesses the effectiveness of these actions.	27–28
16(1)(f)	Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	29
16(1)(g)	Any other information that the reporting entity, or the entity giving the statement, considers relevant.	2–6,29



AS Colour recognises that with global devastation continuing to rise, the increase of vulnerable people goes hand in hand. The efforts to tackle such a complex and ever evolving issue require continuous improvement, collaboration and collective responsibility to bring it to an end.

We continue to explore and evaluate better ways of working, seek out global partners who can help us create greater leverage and advocate for government reform to create positive change.

We are pleased to publish the AS Colour Australia 2024 Modern Slavery Statement and commit to continuing to monitor and report publicly on our progress.

ascolour.