



RODD & GUNN®
NEW ZEALAND

MODERN SLAVERY STATEMENT

FY 2022

INTRODUCTION

This is Rodd & Gunn's first Modern Slavery Statement, which outlines the actions we are committed to taking to help identify, manage, and remedy modern slavery risks in our supply chain and operations.

Although Rodd & Gunn is not required to submit a mandatory statement, in accordance with the Australian Modern Slavery Act 2018 (Cth), as a responsible brand, Rodd & Gunn are submitting this statement on a voluntary basis, to demonstrate our commitment to transparency and eradicating modern slavery in all our business operations and supply chain.

This statement applies to Rodd & Gunn New Zealand Limited, and all its subsidiaries, during the financial year ending 30 June 2022:

- Rodd & Gunn Australia Pty Ltd
- Rodd & Gunn USA Inc
- Rodd & Gunn Canada Ltd
- Rodd & Gunn UK Ltd

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We acknowledge that the garment supply chain has been built in a manner that is global reaching, and opaque, which can lead to risks associated with modern slavery, and we acknowledge that our business practices may have caused, contributed to, or been linked to modern slavery in the supply chain.

Rodd & Gunn are dedicated on working to identify, mitigate and remediate any causes or cases of slavery in our supply chain and operations, and we will continue to conduct our business with integrity, and in an ethical manner. We have been working hard to increase transparency through all tiers of our supply chain, apply due diligence, and act on identified risks in our business operations and supply chain.

This statement has been reviewed, and approved by the Rodd & Gunn Board, and signed by Michael Beagley on the 4th May 2022, who is a Director of the Board and CEO of Rodd & Gunn New Zealand Limited.



LETTER FROM THE CEO

At Rodd & Gunn, we aim to deliver high quality and integrity in everything we do. We're constantly rediscovering what it means to be a quality brand and re-evaluating what's at the core of a 'quality life'. Our brand ethos of "Seek Less, Find More", guides our decision making, how we source and design our products, how we recruit our people and how we interact with our stakeholders.

We strongly oppose to any form of modern slavery and exploitation; it is the contrary to everything we stand for as a brand and we fundamentally believe it is every human's right to be treated with dignity and respect. We also recognise that our commitments must translate to action, and this has led us to voluntarily produce and publish our first Modern Slavery Statement.

We strive to build a happy, motivated, and productive environment where our people are focused on respecting each other and their role within the business. It is fundamental that our commitment to upholding human rights extends to the contracts and external relationships we create through our operations and supply chain.


The team at Rodd & Gunn have focus on building a strong and robust due-diligence framework to adequately identify and mitigate risks, as well as provide effective remedy for instances where Modern Slavery may be found. The Due Diligence Journey (Page. 22) best demonstrates the work we've done to refine these practises, and how ethical sourcing has been a strong focus for many years and part of our DNA.

The past 12 months have presented various challenges with a pandemic and logistical disruptions, affecting every country / supplier we do business with. These challenges have had a profound impact on the more vulnerable workers in the retail supply chains and have increased the risk of modern slavery practises. Through this time, we continuously engaged with our suppliers to understand how we can best support each other through this crisis and help mitigate any further unnecessary damage.

We acknowledge that continuous improvement is needed along the value chain, and we are committed to regularly reviewing and identifying areas where we can strengthen our practises and educate our people.

We welcome any feedback on this statement, please email: sustainability@roddandgunn.com.

Regards,
Michael Beagley
CEO and Director of the Board





RODD & GUNN STRUCTURE

OUR OPERATIONS & STORE NETWORK

SUPPORT OFFICES		STORES & CONCESSIONS		LODGE BAR & DINING	
CORPORATE OFFICES	3	STORES	178	DESTINATIONS	4
WAREHOUSE	1	COUNTRIES	5	COUNTRIES	2
THIRD PARTY DISTRIBUTION CENTRES	3				

WHOLESALE PARTNERS		OUR TEAM	
ACCOUNTS	31	FULL TIME	294
COUNTRIES	3	PART TIME	136
		CASUAL	301

The Rodd & Gunn brand was established in 1987 in Auckland, New Zealand, to bring unwavering quality, and style into the men's clothing market. Rodd & Gunn apparel, footwear and accessories are designed in house by our talented design team, who stay true to our Rodd & Gunn aesthetic. Rodd & Gunn have now grown and expanded into five different markets, hiring over 700 employees.

Rodd & Gunn stores are spread over five countries, with stand-alone retail stores in Australia, New Zealand, USA, and the UK. Additionally, we have department store concessions in Australia, New Zealand and Canada, and a range of wholesale accounts across the USA, Canada, and the UK.

We have 3 head office locations in Melbourne, Auckland, and New York. Our main headquarters is in Melbourne, Australia, where all our teams in design, production, buying, finance, marketing, human resources and IT are located. We also have operational teams in the 5 countries we operate in, to help each local team with support and guidance.

Rodd & Gunn own one distribution centre in Melbourne, Australia, and we use third party distribution and fulfilment centres in New Zealand, USA and Canada.

All our 731 team members are given an employment contract, whether they are full, part time or casual, and are required to uphold our Code of Conduct as outlined in the Operations Manual. This document highlights our position and expectations for all our staff on matters of Health and Safety, Anti-Bullying, Anti-Sexual Harassment and Equal Opportunities, we continue to monitor and manage any breaches in this area.

We are constantly reinvesting in the development of our employees, offering training, management development plans, skill set based training to ensure they are respected throughout their time at Rodd & Gunn.



OUR SUPPLY CHAIN

Rodd & Gunn apparel, footwear and accessories are designed in Australia, and manufactured through our global network of trusted suppliers. We have strong partnerships with our garment makers and mills, some of which go back to the early beginnings of Rodd & Gunn and have been selected for their quality workmanship, ethical practices, and integrity. In the last 12 months, Rodd & Gunn have worked directly with a total of 66 suppliers, across 17 countries. Please review our latest supplier list on our [website](#). Our direct relationships are broken down into the following four levels, or 'tiers':



We understand that the transparency of our supply chain, at all levels, is important, for us to gain full visibility of any human rights and modern slavery risks in our supply chain. It has been a high priority for Rodd & Gunn, and we will continue to work towards full transparency of all tiers of our supply chain in the coming years. It is important to understand that our Supplier Map demonstrates our direct relationships only, and not the full number of facilities we have traced in our supply chain. For traced facilities please refer to page 26.

Order Volume By Country:

TIER 1		TIER 2	
FINISHED GOODS MANUFACTURERS		FABRIC & YARN MILLS	
VIETNAM	43.3%	CHINA	51.9%
CHINA	32.4%	ITALY	29.7%
MAURITIUS	8.9%	TURKEY	4.2%
CAMBODIA	3.3%	VIETNAM	3.3%
INNER MONGOLIA	3.1%	INNER MONGOLIA	3.3%
TURKEY	3.0%	BANGLADESH	2.5%
BANGLADESH	2.4%	MAURITIUS	1.6%
ITALY	1.8%	SLOVENIA	1.0%
INDIA	0.5%	SPAIN	0.8%
PORTUGAL	0.4%	AUSTRIA	0.6%
INDONESIA	0.4%	INDIA	0.6%
THAILAND	0.3%	PAKISTAN	0.4%
NEW ZEALAND	0.2%		

SUPPLIER MAP

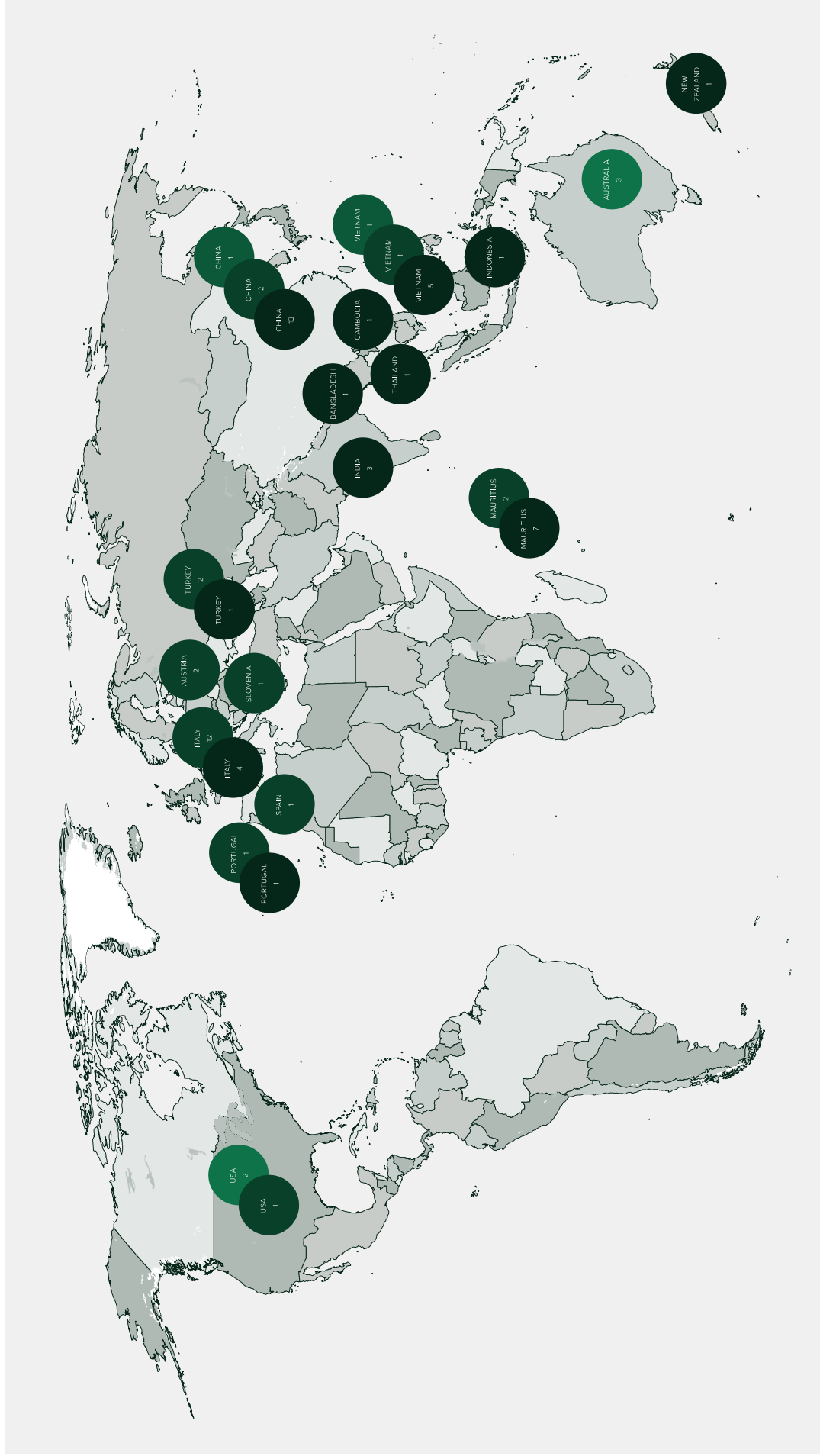
TIER 1 (27)
FINISHED GOODS MANUFACTURERS & ARTISAN PRODUCERS

TIER 2 (32)
FABRIC MILLS, YARN MILLS & TRIM SUPPLIERS

TIER 3 (12)
YARN SPINNERS & PROCESSORS

TIER 4 (5)
RAW FIBRE PRODUCERS

TIER 4 (5)
RAW FIBRE PRODUCERS

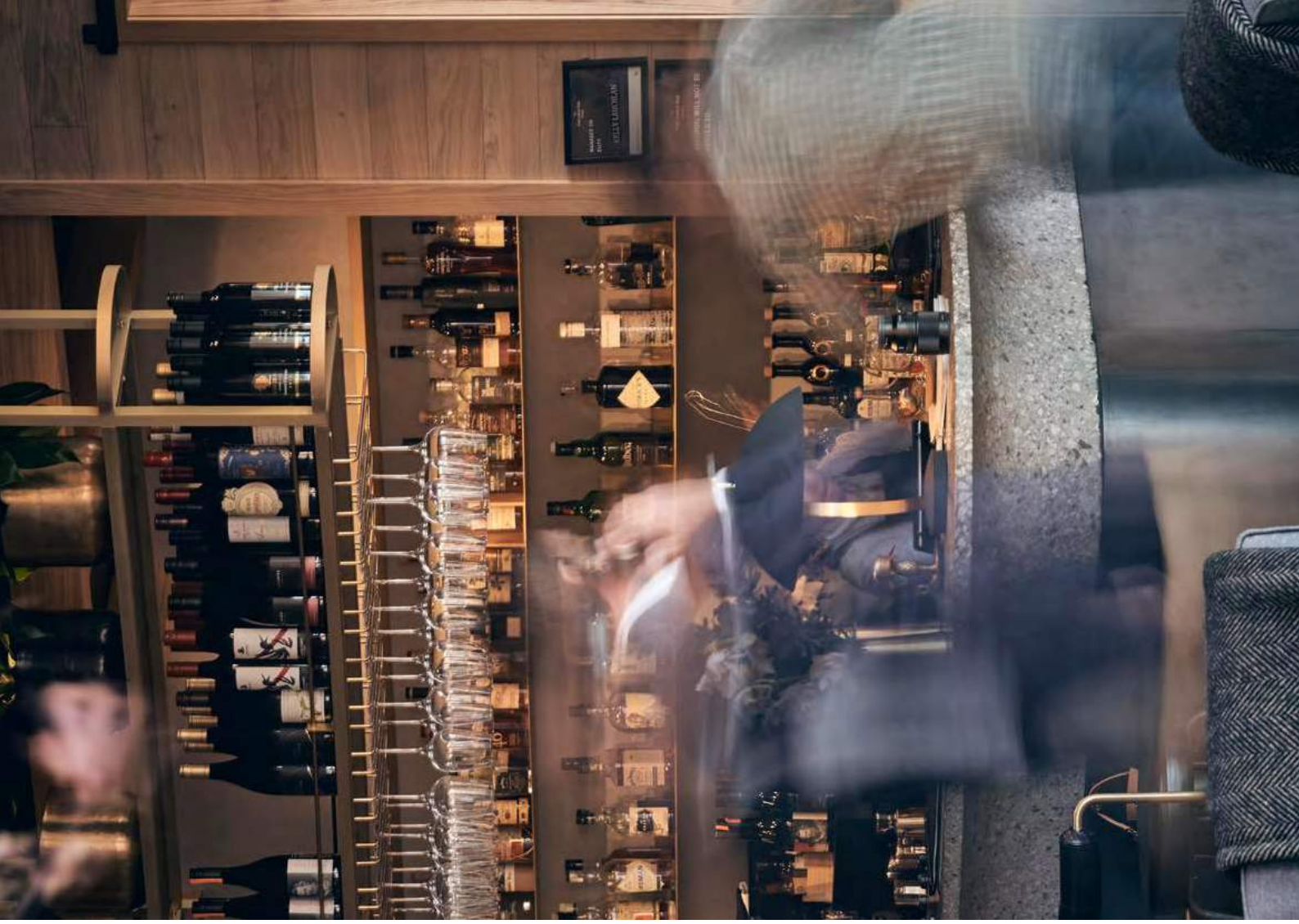
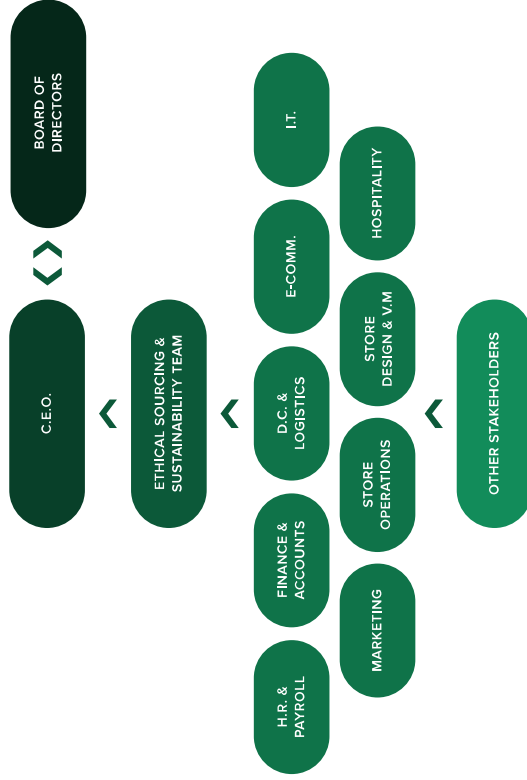


OUR GOVERNANCE

At Rodd & Gunn we take a holistic, company-wide approach to modern slavery. Our Governance Structure demonstrates the responsibility and reporting process for the company. Accountability for our modern slavery progress and action plan sits with our board, and they are responsible for ensuring that human rights is upheld throughout all levels of the business. Through our holistic approach, we encourage all of our team members, and any other stakeholders of the business, to report any cases or potential cases of modern slavery they may discover, by using our Governance Structure process.

Our Sustainability & Ethical Sourcing Team work diligently to help limit the risks associated with any social responsibility, or environmental issues that may occur in our supply chain. They work directly with our suppliers to ensure due diligence processes are followed through, and they help identify any potential risks that may occur before they happen.

Governance Structure:



MODERN SLAVERY RISKS IN OUR OPERATIONS & SUPPLY CHAIN

At Rodd & Gunn, we recognise that by operating in the global apparel, footwear and accessories market, we could cause or contribute to modern slavery practices in both our operations and supply chain. We have reviewed our current practices and identified possible risks that could occur to the people associated with our operations, and in our supply chain.

WHAT IS MODERN SLAVERY?

Modern slavery is the umbrella term used to describe the use of exploitive labour practices, which include, but is not limited to; servitude, forced labour, human trafficking, debt bondage, forced marriage, slavery, deceptive recruitment for labour or services, and child labour.

According to the International Labour Organisation (ILO), in 2016 there was an estimated 40.3 million people in modern slavery, with one in four victims being children.

Freedom from slavery is a fundamental human right, and we believe that all people associated with our business should be treated with respect and dignity.

OUR OPERATIONS & STORE NETWORK

The majority of Rodd & Gunn's operations and store network are located in countries with strong regulation, and human rights compliance, we consider the risk of modern slavery happening in our operations as low, and our higher risks to be associated with our supply chain. However, this does not mean that our own operations are immune from modern slavery issues.

Our operational risks can be separated into three different areas:

- Rodd & Gunn team members and recruitment
- Third party suppliers for store and office management
- Shipping and logistics partners

Rodd & Gunn team members

All Rodd & Gunn team members are given an employment contract and are required to adhere to the operational standards which includes our Code of Conduct and helps protect them from human rights abuses once employed. However, we have increased risk, due to our Melbourne DC recruitment processes through the use of third-party labour providers. There is a possible risk of Modern Slavery related incidences, due to the lack of transparency of how and where these team members are recruited.

Third-party suppliers for store and office management

At Rodd & Gunn, we procure the services of a variety of facility management third-party businesses across our office and store network. Some of the services we use third party suppliers for include:

- Cleaning contractors
- Alteration services
- 3rd Party recruitment providers
- Stationary providers
- Security contractors
- IT equipment providers
- Food & Beverage suppliers
- Printers and Advertisers
- Electricity providers
- Builders and Tradesman

Due to the casual and physical nature of many of these jobs, there is a risk of the use of sub-contractors and migrant workers through these third-party suppliers, which can increase the risk of forced labour.

Shipping and Logistics partners

Rodd & Gunn currently use the following shipping and logistics partners; DHL for all fabric shipments, Kerry Logistics for bulk product shipments, TNT/ FedEx, Bergen Logistics, Australia Post and New Zealand Post for distribution. All these companies have published Modern Slavery Statements of their own and are working to reduce risks in their own operations and supply chains. However, as these suppliers are not owned or controlled by Rodd & Gunn, we have little visibility over their recruitment practices. There is a risk that the use of contracted, migrant, and temporary labour has been used, and modern slavery practices could be discovered.

OUR SUPPLY CHAIN

Rodd & Gunn do not own any of our factories, but we have spent many years building and nurturing long term relationships with many of our supplier partners, and we will continue to work closely with them to help identify and mitigate any potential risks that may arise.

Labour Rights Risk Assessment

85% of Rodd & Gunn's Tier 1 order placement goes to Vietnam, China and Mauritius. We understand that each of these countries has associated risks, and we have conducted a geographical labour rights risk assessment, based on findings from our SGS third party audits gathered over 7 years of audit history and the guidance from publications developed by: [International Labour Organization \(ILO\), Labour Rights Index 2020](https://www.ilo.org/publications/ilo-labour-rights-index-2020), [WageIndicator.org](https://www.wageindicator.org/), [2018 Global Slavery Index report](https://www.transparencyinternational.com/anti-slavery), [Transparency International and Anti-Slavery International](https://www.transparencyinternational.com/anti-slavery).

Labour Rights Risk Assessment

RISK	RISK LIKELIHOOD		
	CHINA	VIETNAM	MAURITIUS
CHILD / FORCED LABOUR	MODERATE	RARE	UNLIKELY
WORKPLACE DISCRIMINATION	UNLIKELY	UNLIKELY	UNLIKELY
FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING	LIKELY	RARE	UNLIKELY
UNSAFE WORKING CONDITIONS	LIKELY	UNLIKELY	LIKELY
PAID BELOW MINIMUM WAGE	UNLIKELY	RARE	RARE
EXCESSIVE OVERTIME	LIKELY	RARE	UNLIKELY
TEMPORARY AND / OR MIGRANT WORKFORCE	LIKELY	UNLIKELY	LIKELY
UNAUTHORISED SUB-CONTRACTING	UNLIKELY	RARE	RARE
COVID-19 INFECTION RISK*	UNLIKELY	MODERATE	MODERATE
OVERALL COUNTRY RISK	HIGH	MEDIUM	HIGH

China

China is the largest garment manufacturing country in the world and is where the majority of Rodd & Gunn's Tier 1 suppliers are located. China is also the majority supplier of our Tier 2 trim suppliers.

Due to the geographic size of the country, migrant work from rural communities is a regular occurrence, and the use of forced labour has been linked to the apparel sector, most recently in the Xinjiang region, where 80% of China's cotton is grown. The Chinese government also strictly control union organisation, with the All-China Federation of Trade Unions (ACFTU) being the only legally existing union in the country. Currently 50% of Rodd & Gunn's Tier 1 suppliers have access to a union, which leaves a significant number of suppliers at risk of unprotected workers, and their voices not being heard.

The use of excessive overtime, and sub-contracting, that has not been approved by Rodd & Gunn, also poses a risk of forced or debt bonded labour occurring in our supply chain.

Vietnam

Vietnam is the second largest apparel manufacturer in Asia and employs over 2.5 million people. The Vietnamese government has recently made significant improvements in reducing the use of forced and child labour in the country, by collaborating with international organisations and governments. But the apparel industry in Vietnam still relies heavily on the use of migrant and temporary workers, leaving workers vulnerable and without employment contracts, and there are still risks of forced and child labour in the sector.

Rodd & Gunn's Vietnam suppliers employ only local workers at their facilities, except for a few skilled labourers from China, which is why our risk rating was considered low for temporary and/or migrant workforce. 100% of workers also have union representation, meaning they have local support. Vietnam now receives the highest volume of order placement from Rodd & Gunn and demonstrates our investment in this region.

Mauritius

Mauritius is a tropical island off the eastern coast of Africa and has become a manufacturing hub for the global apparel industry. African countries have the highest prevalence of modern slavery in the world, and Mauritius, due to its island location, has been a hub for migrant workers from countries, such as Bangladesh.

The Mauritius apparel industry has been linked to risks of debt bondage and forced labour as recently as 2020. According to the Global Slavery Index and Transparency International, currently only 50% of reported cases are addressed by the government, due to high levels of corruption and bribery, leaving many workers vulnerable and with lack of support.

Risk Likelihood

RARE	UNLIKELY	MODERATE	LIKELY	ALMOST CERTAIN
The event may occur in exceptional circumstances	The event should occur sometimes	The event could occur sometimes	The event will probably occur in most circumstances	The event is expected to occur in most circumstances

Risk Rating

LOW	MEDIUM	HIGH	CRITICAL	CATASTROPHIC
Acceptable with periodic review	Tolerable with periodic review	Tolerable with continuous review	Intolerable - immediate action required	Intolerable - urgent action required

*The likelihood of infection occurring in factories based on measures taken at factory level since the beginning of pandemic and also taking into account vaccination rates is unlikely (source: Our World in Data)

Mauritius (Cont.)

Mauritius is currently Rodd & Gunn's third largest country for Tier 1 garment manufacturers and currently we have limited visibility over our factories there due to a lack of auditors available in the region. In previous audits we have been alerted to health and safety risks at factories and dormitories, which have been addressed.

SUB-CONTRACTORS

From time to time, specialist skills or technology are needed to create Rodd & Gunn products, which is outside of the scope of the services our Tier 1 or 2 factories can provide. This leads our suppliers to sub-contract the work out to other factories, growing the risk of exploitive practices happening in factories, that are not directly contracted to Rodd & Gunn, and decreasing our visibility.

Rodd & Gunn require any supplier that wishes to sub-contract Rodd & Gunn production, to write to us for prior approval. Suppliers must complete our Sub-Contractor Approval Form which outlines location, and details on the sub-contractor they wish to use. The sub-contractor must also read and adhere the Rodd & Gunn Code of Conduct and supporting policies before work is commenced.

SPOTLIGHT ON COTTON RISKS:

Cotton has had a long history of being linked with slavery and exploitive practices, and as identified in the US Department of Labors List of Goods Produced by Child and Forced Labor in 2020, instances of forced and child labour are still being linked to the growing, producing and processing of cotton. Forced labour is still being reported in Benin, Burkina Faso, China, India, Kazakhstan, Tajikistan, and Turkmenistan. Child labour has been found in Argentina, Azerbaijan, Brazil, Egypt, Kyrgyz Republic, Mali, Turkey, and Zambia.

Most recently, there have been multiple reports that cotton produced from the Xinjiang region in China, has been produced through the use of forced labour camps. According to the University of Nottingham's research, up to a million people from Uyghur, Kazakh and other minority groups, have been detained in labour camps and forced to work on cotton picking farms, and in cotton processing factories. This is concerning, as over 20% of the worlds cotton is said to come from China, and 80% of China's cotton is grown in the Xinjiang region.

Nearly 90% of Rodd & Gunn's annual fibre consumption is cotton, however only 74% comes from China. Through our Responsible Cotton Sourcing Policy, and ongoing traceability work, we are aiming to eliminate all cotton originating from China by 2025.



ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

Rodd & Gunn take any discovery of potential risks of modern slavery in our business operations and supply chain, very seriously. Rodd & Gunn adopt the three pillars of the UN Guiding Principles on Business and Human Rights - to protect, respect and remedy - throughout our operations and supply chains. Our board are committed to working with our team members and suppliers to help identify, mitigate, and remedy any potential modern slavery risks, and the board take responsibility for any modern slavery impacts.

We have taken the following actions to help address and assess our modern slavery risks in the year ending 30th June 2022.

OUR OPERATIONS & STORE NETWORK

All of Rodd & Gunn's team members receive an employment contract, which outlines their rights and responsibilities. All team members are also required to adhere to our Code of Conduct, and abide by our Health and Safety, Anti-Bullying, and Anti-Sexual Harassment stipulations.

Our human resource policies and processes help to identify any human rights breaches early on, and each team manager is required to monitor and manage any reported incidences through our Governance Structure.

Third-party suppliers

Rodd & Gunn's third-party suppliers for our direct operations are based locally to our store, office and distribution centre networks. We recognise that we have a responsibility to ensure that any person working at a Rodd & Gunn site, should have their human rights upheld. We will be working over the next 12 months to ensure policies and procedures are implemented for their protection.

Training

Upskilling and educating our team members on modern slavery, and human rights occurrences ensures our entire business is accountable for identifying any potential cases of modern slavery. We have hosted ethical sourcing training for our Buying and Design teams with industry experts since 2018.

OUR DUE DILIGENCE JOURNEY



OUR SUPPLY CHAIN

POLICIES

Our supplier policies outline our commitment, standards and values that we expect, as a minimum, of our supplier partners. We ensure these are translated into local languages for all our suppliers and factory workers to understand, and work with our auditing partners to ensure these are well displayed.

Our vendor policies include:

- Code of Conduct**
 Our Supplier Code of Conduct was first developed in 2014, aligned with the Ethical Trade Initiative (ETI) Base Code Guidelines and the International Labour Organisation (ILO) Principles. In 2018, we updated the Code to be more comprehensive in its human rights requirements. The Code of Conduct is sent to our Tier 1 suppliers for reviewing and signing annually, and we ensure that 100% of all our Tier 1 suppliers sign our Code. We have begun working on distributing the Code to our Tier 2 & Tier 3 suppliers. (Please see our Code of Conduct in the Appendix).
 - Gender Equality Policy**
 Our Gender Equality Policy outlines gender specific requirements for all our suppliers, to help enhance equality in the supply chain, support women, and help prevent discrimination based on gender in our supply chain.
 - No Child and Forced Labour Policy**
 Rodd & Gunn have a zero-tolerance approach to the use of child and forced labour in our supply chain. This policy outlines who is considered a child, and a definition of forced labour. It outlines how implementation of this policy should be conducted, and how it is monitored. A remediation or reporting process is also included in this policy.
 - Responsible Cotton Sourcing Policy**
 Due to the increasing risks of slavery in the cotton supply chain, we have outlined our cotton sourcing requirements, including restricting any cotton sourced from high-risk regions such as, Uzbekistan, Turkmenistan, and Xinjiang Province in China. Rodd & Gunn have outlined our preferred cotton sourcing regions in the policy.
 - Grievance Policy**
 The Rodd & Gunn Grievance Policy outlines the process workers can take if they wish to report a grievance. We have created a communication channel whereby workers employed by a Rodd & Gunn contracted Factory, Mill or Farm can have direct access to report their grievances. For more detail on our Grievance Mechanism please see Page 35.
 - Sub-Contractor Approval**
 All suppliers that engage sub-contractors in the manufacture of Rodd & Gunn products, are required to seek approval from Rodd & Gunn before proceeding. This approval process requires sub-contractors to also abide by our Supplier Code of Conduct, and provide all contact details, and relevant certifications, before work can commence.
- Rodd & Gunn also require suppliers to adopt a range of environmental and material policies, which help to ensure our suppliers are following environmental, animal welfare, and chemical use best practice.

TRANSPARENCY AND TRACEABILITY

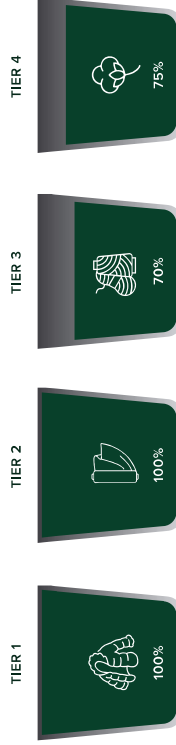
For Rodd & Gunn to really gain an understanding of our supply chain, and identify where modern slavery risks may lie, it is important for us to map our supply chain and ensure the traceability of all our products.

To hold us accountable, and to be a transparent business, we first published our supplier list online in 2018. This document is updated annually and allows our customers and other business stakeholders to view information on the factories and mills we use, what products they make, how many they employ, the gender of those employees, when they were last audited, and what certifications they hold.

We are continuously reviewing and working with our suppliers to trace the lower tiers of our supply chain, to identify and build relationships with all suppliers that help produce Rodd & Gunn products. Currently we have 100% visibility of our Tier 1 and Tier 2 suppliers, and 70% of our Tier 3 suppliers (traced to facility level). We have traced up to 75% of Tier 4 suppliers (traced to country of origin). We keep a traceability file for each style each season, where we record chain of custody and other relevant tracing information. This is achieved through various document verification in the form of Certificate of Origin, Scope Certificates, Spinner Declarations, Transaction Invoices and Spinner and Bale Code Declarations.

Through increased transparency, audit results and supplier risk analysis, Rodd & Gunn can focus our resources on factories, countries or fibres that have a higher risk of modern slavery and help us identify and mitigate any potential risks before they occur.

Traceability achieved by Tier (Country of Origin):



SOURCING MATERIALS

European Fabric Mills

Rodd & Gunn has long-standing relationships with some of the most famous textile mills in Italy and Europe. Our European mills are our preferred fabric source, making up 60% of our apparel wool yarns and woven fabrics. Our mills fuse traditional methods with the latest technology to produce fabrics, in part exclusively for Rodd & Gunn. Many of our mills celebrate a long history in the textile industry, supporting local townships, stringent environmental regulations and continuing to provide opportunities for local communities and future generations.

SPOTLIGHT ON ALBINI MILL, BERGAMO ITALY:

Our oldest partnership is with Albini Group that goes back over a quarter of a century. Family owned and run for over 140 years Albini is consistently at the forefront of innovation and sustainability, while producing the world's finest shirting.

Albini's vision reflects a strong interest in gender equality, multiculturalism, and the family. The intent is to grow employees in environmental and safe working conditions, providing the know-how necessary for them to perform their duties. In addition, in collaboration with universities and technical colleges referrals, it has privileged the inclusion of young people by launching internships stages and recruiting. They have more than 1,000 employees worldwide, the co-existence of 27 different nationalities and offer over 5,000 hours of training annually.

The Albini Group mission is the perfect alignment with Rodd & Gunn's brand values and principles. Albini fabrics proudly make up 70% of Rodd & Gunn's shirting range and show our significant investment in this business and our endorsement of their practises in both people and product.

In addition to our European Mills, we work with raw material producers and organisations that help us verify the origin of our materials. Here are some of our highlights:

- Over 55% of our Cotton is sourced from Australia and traceable through Cotton Australia
- 100% of our Wool is Woolmark® accredited
- 100% of our Linen is European Flax® certified

Cotton Partnerships

Cotton has one of the highest risks for our business, due to its links with child and forced labour in the supply chain. Due to Cotton being traded as a commodity, achieving full traceability to farm level can be difficult, especially when a farms output changes every season dependent on so many factors such as climate, yield, staple length, colour, quality and so on. Nearly 90% of the materials Rodd & Gunn use are cotton, so in 2019 we developed a programme to ensure that the transparency and traceability of our cotton materials could be verified. Currently, thanks to our cotton partnerships, we have full traceability of 97% of our cotton, back to Country of Origin and in some cases right back to the raw material processor themselves.

Through our transparency work, we established that building relationships with organisations who are working on the ground to improve environmental, and social practices on cotton farms, would have the biggest impact. We are privileged to work with organisations that help provide transparency, verification, and assurance that Rodd & Gunn materials are made without the use of slavery.

The following partnerships are particularly important in reducing our exposure to modern slavery risks through upholding local legislations and regulations and the common use of mechanical harvesting and processing.

[Australian Cotton](#)

Cotton Australia is the industry organisation supporting Australian cotton farmers. Many of the Australian Cotton farmers participate in the myBMP farm management programme, where farmers are supported to produce cotton in harmony with the natural environment. The programme provides a traceable and audited supply chain, helping to ensure visibility through the entire supply chain.

Rodd & Gunn's partnership with Australia Cotton has seen our cotton procurement grow from 0% Australian Cotton in 2019, to 57% Australian Cotton in 2021. In 2021, Rodd & Gunn became a member of the Australian Cotton Sustainability Reference Group, an initiative to provide a permanent forum for internal and external industry stakeholders and to support the cotton industry efforts to improve sustainability performance.

[Cotton USA™](#)

Cotton USA™ sets a high standard for all its farmers, to ensure high ethical and environmental standards on the far. Currently, over 25% of Rodd & Gunn's cotton is sourced from the U.S., and in 2022 we have begun working closely with Cotton USA™ to verify the origins of our cotton.

[Supima Cotton®](#)

Supima cotton is grown in the U.S., and provides extra-long-staple, high quality cotton that is one of the most durable cotton fibres in the world. Supima Cotton use DNA technology to verify their cotton origins on a scientific level for their customers. In 2021, Rodd & Gunn became a Supima licence holder which enables us to source Supima cotton through a verified chain of custody.

AUDITING

Rodd & Gunn are working with SGS, one of the world's leading verification, testing and inspection companies, to help us audit our suppliers for social compliance and environmental standards. SGS have become a strong partner of ours, especially when travel restrictions hit us in 2020 due to the COVID-19 pandemic. We assess and review every audit we receive, and work with each supplier around non-compliance.

All our Tier 1 suppliers have been audited through SGS, or through other reputable auditing companies. For any suppliers that have significant areas of improvement or are non-compliant, we conduct audits annually. For all better performing suppliers, their audits are conducted bi-annually. However, we have experienced some delays in our auditing programme due to COVID-19.

Recently, we have had issues with obtaining an auditor for our suppliers located in Mauritius. We are currently working with SGS to find a solution for this, as we recognise that our Mauritius suppliers come with an increased level of risk.

We monitor all audit results, and keep in depth records on scores and non-compliance, rating them from 'high' to 'low' risk. As of 2022, 72% of our factories had scored an A or B, or 'Low Risk'. Only 5% of our factories at that time had scored as 'High Risk'. The most common non-compliance we have found are; health and safety issues, excessive working hours, wages and compensation (mainly based on social insurance discrepancies), and environmental management. We work closely with SGS to develop corrective action plans for these factories and monitor their actions and improvement consistently.

Living wages

Rodd & Gunn believe it is a right for every person to earn a fair wage, which is most often higher than the government set minimum wage in many countries. We understand that low wages are often a key indicator of slavery practices, so we consistently monitor and record minimum, actual wage received and living wage data from our production countries, to compare with wage records supplied to us through our third-party auditors. We ensure that the suppliers we choose to work with uphold our values, to ensure all workers have enough income to live safely and freely, with some discretionary income, and are working towards paying a living wage for all workers.

ONBOARDING NEW SUPPLIERS

Rodd & Gunn undertake thorough due diligence checks on all suppliers, including verifying social compliance audits and any certifications, checking relevant policies, reviewing public profiles and websites, reviewing how they engage with their workers and other stakeholders. Once this due diligence process is completed and the supplier has been approved for engagement, they will then need to read and sign Rodd & Gunn's Code of Conduct and other responsible policies before being accepted as a new supplier.

Once the supplier is producing for Rodd & Gunn for more than 12 months, they will be added into our Audit schedule through our third-party auditing company, SGS.

GRIEVANCE MECHANISMS

Ensuring the workers in our supply chain have a voice, is an important step to help identify any potential modern slavery or human rights breaches. In 2018 we developed our Grievance Policy, which outlines the steps a worker can take to confidentially communicate directly with Rodd & Gunn.

In 2020, we increased the accessibility of our grievance mechanism, by adding a QR code, email address and WeChat account to allow workers to contact us more easily. All suppliers are directed to display the Grievance Policy with QR code and WeChat details in a prominent staff location, outside of the view of management – such as break rooms, dormitories, or rest rooms. We expect suppliers to train their staff on how to use the mechanism, and we follow up on the display of the Grievance Policy by our auditing partners.

To date, we have received no grievances through our email, or WeChat account, and we are working with SGS on how to make our grievance mechanism more accessible and trusted by all workers.

RESPONSIBLE PURCHASING PRACTICES

Rodd & Gunn have built strong relationships with our suppliers over many years, and we understand that our purchasing decisions could lead to an increase of modern slavery risks.

In 2018, we first developed our Responsible Purchasing Policy, which outlines our strategies and actions for all staff at Rodd & Gunn, to help uphold human rights and alleviate pressure on our suppliers. The policy outlines guidelines for our team members on how to interact with our suppliers, without causing negative environmental or social impacts, and covers strategies for the following business areas; planning and forecasting, design and development, price and price negotiation, payments, and responsible exit strategies.

Rodd & Gunn commit to continually monitor and review our purchasing practices, through engagement with suppliers, and ongoing training for team members.

COVID-19

The COVID-19 pandemic has been challenging for most businesses around the world. Both our business operations and suppliers were impacted by the consistent lockdowns, travel bans and health and wellbeing issues. However, our supply chain partners have been even more vulnerable to the disruptions caused by the pandemic, due to lack of government support, supply chain delays and cancelled orders from other businesses, increasing the risk of modern slavery occurrences.

Rodd & Gunn stood by our suppliers throughout the pandemic, we kept in constant contact with our suppliers, and honoured existing orders, paid suppliers on time and in full, provided payment plans, and supported our suppliers where we could. We have not ceased any working relationship for any supplier based on the pandemic fall out or its contributed complications.

In 2020 and 2021, we wanted to understand how our suppliers were coping with the on-flow effects of COVID-19, and where any further risks may arise. We developed a Self-Assessment survey for all our suppliers to find out what they were doing to support workers, what government support was available, and what impacts Rodd & Gunn's decisions had on their business during the pandemic.

We were pleased to find out that most suppliers have implemented strict health and safety measures, with social distancing, additional PPE, hygiene stations and protocols in place to ensure production can remain consistent. Most suppliers received some sort of support from their government in the form of wage assistant schemes or tax and social insurance relief to help maintain work prospects.

Our focus now is on rebuilding, planning, and commencing production, and safeguarding suppliers against any future health risks.

SPOTLIGHT ON MAURITIUS:

Our denim factory in Mauritius, has gone above and beyond to provide awareness and information sessions on COVID-19, for their migrant workforce in their native language. Measures were taken to ensure the dormitories were provided with sufficient food and basic facilities during lockdown.

The management took a pro-active approach by establishing an internal COVID-19 Committee to coordinate the response & measures pre & post lockdowns. One major aim of the committee has been to safeguard the employees' salaries and what measures to be taken to overcome a potential financial crisis.



REMEDiation

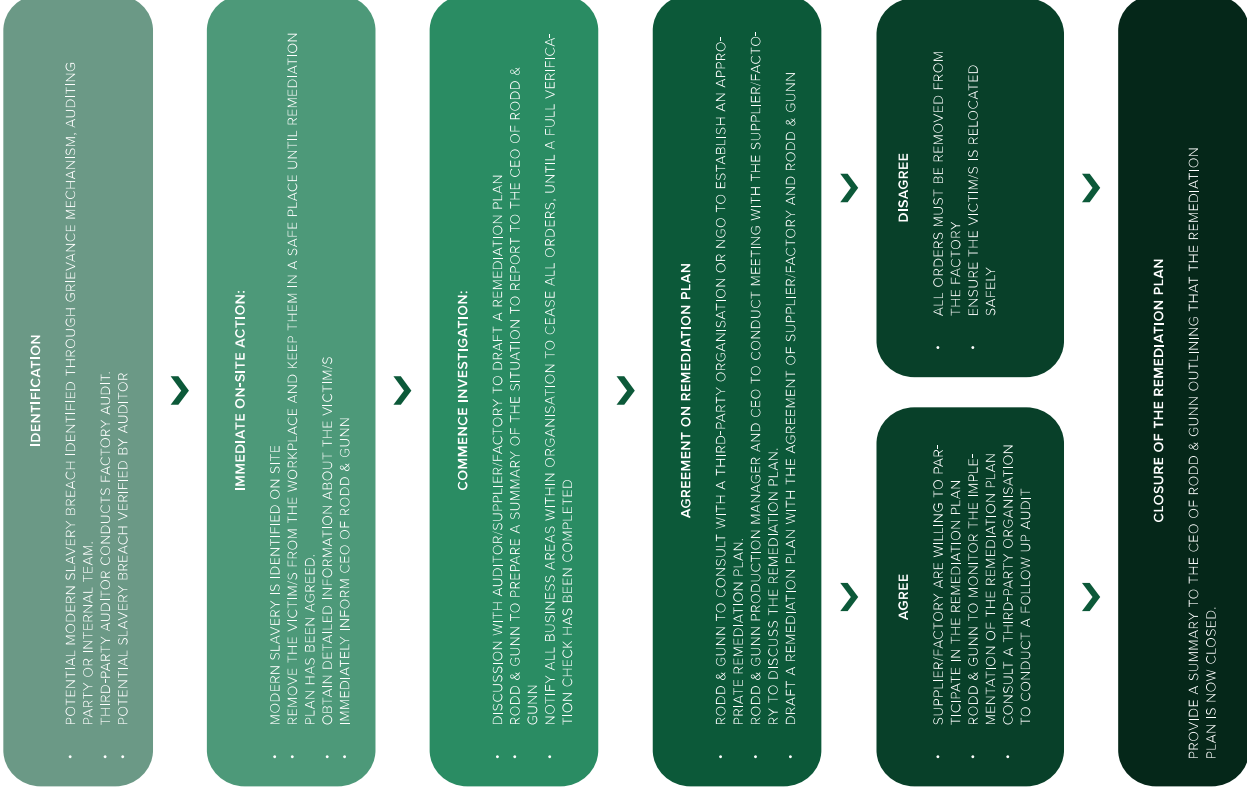
Remediation can take many different forms, and Rodd & Gunn work closely with our suppliers and our third-party audit company, SGS, to help remediate any non-compliances or breaches from our Code of Conduct when issues occur.

Once audits have been completed, SGS develop a Corrective Action Plan for the supplier based on any non-compliances and rate them according to their severity (minor / major / critical). Rodd & Gunn receive and review the results and compare these with previous years. We then work with suppliers directly to amend and correct any non-compliances. Critical non-compliances must be corrected immediately on the Audit Day or within a timeframe stipulated by SGS. All other non-compliances are addressed in a timely manner. We believe this direct communication greatly enhances our relationships, and builds our understanding of the root causes, and potential systemic challenges. For any non-compliances that cannot be verified by Rodd & Gunn internally, we request a follow up audit to ensure these non-compliances have been officially assessed.

Rodd & Gunn have built long term relationships with many of our suppliers, and we believe in strong communication, collaboration, and support to help guide these suppliers towards improvement. Rodd & Gunn are a small customer to many of our larger suppliers, and occasionally have limited leverage to demand these suppliers to make changes, but where we can influence them to improve their business practices we will.

If a supplier is unwilling to change their practices, and the human rights impacts are too great, we will consider ending the business relationship. We understand that terminating relationships with suppliers can impose further distress for workers, and so will only resort to this if the attempts to remediate have been unsuccessful.

If a case of slavery is identified through our supply chain, either through our grievance mechanism, third party audit company or other external avenues, we adopt the following approach to remediate the situation:



ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

REVIEW

Our Ethical Sourcing and Sustainability team continuously monitor our risks, implement action, and identify areas for further resource. In 2022, we plan to develop a Modern Slavery Committee, who will meet twice annually to discuss and update progress and review any new areas of risks.

We will also continue to evaluate and strengthen our policies and contracts and will measure effectiveness by reviewing the number of our Tier 1 and 2 suppliers have signed our Code of Conduct and other related policies. We can also measure how many of our suppliers have our Code of Conduct easily visible for workers, through our third-party audit results.

ONGOING MONITORING OF OUR RISKS

Through the work we do with our third-party auditing company, and our internal risk management processes, we will continue to monitor and review our effectiveness through improvements in audit results, reduction in non-compliances and lowered risk levels.

Our internal team keep a record of all non-compliances, audit grades and dates, relevant certifications, wage information, and all other relevant information of every supplier we use and will continue to track each suppliers' actions to ensure improvements are taking place.

Transparency of our supply chain will continue to be a focus for our teams, to ensure we have visibility of all our suppliers, and where any new potential risks could occur.

EFFECTIVENESS OF GRIEVANCE MECHANISMS

Since the launch of our Grievance Policy in 2018, and our QR code and WeChat account in 2020, we have had no reported grievances to date. We recognise that this may be because our workers might be afraid to communicate, or the accessibility of the mechanism is not fit for purpose for all factories/countries.

We will continue to work with SGS, and other locally based organisations in the countries of our factories, to help identify a more accessible way for workers to communicate, so their voices can be heard.

TRAINING

To measure the effectiveness of our training programmes with team members, we will look at implementing feedback, or questionnaires at the end of each training session to encourage team members to take part, listen and be involved in the topics discussed. We can measure the effectiveness of the training sessions by how many team members successfully completed the training, the feedback we receive, and how well participants have absorbed the learning material.

NGO ENGAGEMENT

We strongly believe in advocacy engagement to assist us in identifying and addressing issues directly relating to human rights. For five years, Rodd & Gunn have participated in the Baptist World Aid, Ethical Fashion Report. By participating in this process, we are putting our business and supply chain practises under peer review and assessment. We have worked closely with Baptist World Aid, who have helped us to identify hot spots, and push us to assess our business impacts and practises. This engagement has resulted in several positive initiatives that has made improvements in both our operations and supply chain.

MOVING FORWARD

We will continue to focus on greater transparency and traceability of our supply chain, and ensure the wellbeing of the people in our operations and supply chains is integrated in our daily decision making, and broader company goals.

We will be formulating a Modern Slavery Committee that will oversee the work undertaken in response to Modern Slavery and Human Rights risks. We look forward to communicating further progress in this space next year.





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