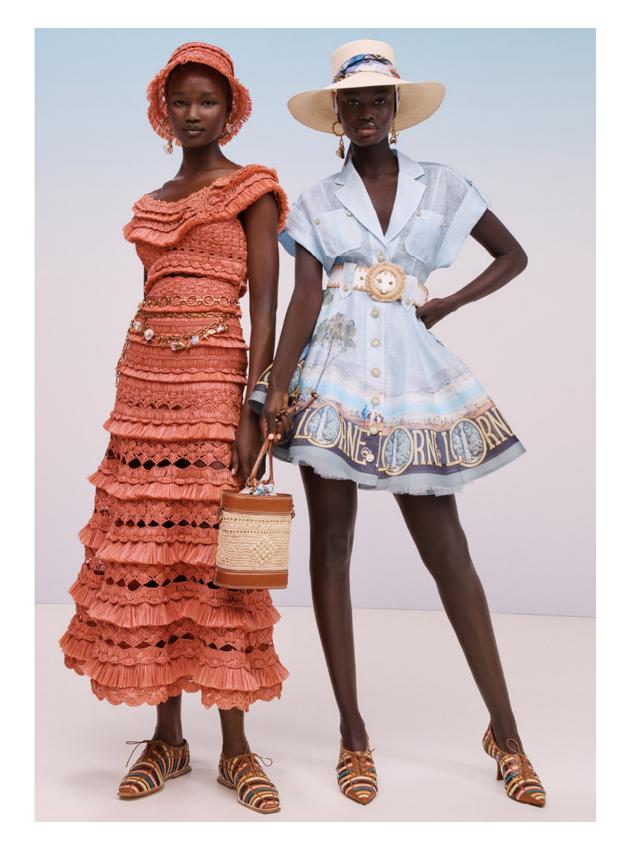
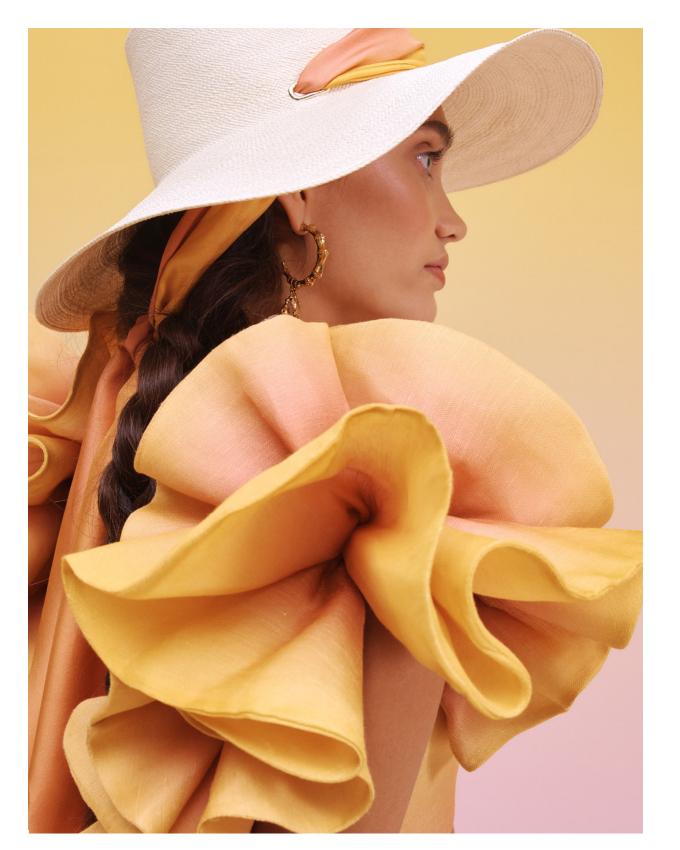
ZIMMERMANN

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INTRODUCTION

Zimmermann is a luxury Australian fashion brand which designs and sells women's ready-to-wear clothing, swimwear, resortwear, accessories and childrenswear.

Sisters Nicky and Simone Zimmermann founded the brand in 1991 and are the Creative Director and Chief Operating Officer, respectively. The brand's success in Australia has led it to expand globally, and Zimmermann now sells across the world.

Zimmermann is committed to ethical business practices and opposes slavery in all its forms.

Our Modern Slavery Statement is published annually in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth) ('the Act').

Unless otherwise stated, all information below is for the reporting period of 1 July 2020 to 30 June 2021.

COMPANY STRUCTURE

Zimmermann International Pty Ltd (165 012 199) is the holding company of Zimmermann Holdings Pty Ltd (128 874 000). Both are private Australian companies which conduct no business and have registered headquarters in Sydney, New South Wales. Zimmermann Holdings Pty Ltd is the holding company of relevant trading companies, being:

- + Zimmermann Wear Pty Ltd (062 643 609), which is responsible for design, sourcing, procurement, manufacture, production, Australian retail and wholesale operations, international wholesale operations and the Australian head office;
- + Zimmermann (USA), Inc. (83-0501744), which is responsible for American retail, online sales and the American office, located in New York City;
- + Zimmermann U.K. Limited (10189074), which is responsible for British retail and online sales;
- + Zimmermann France (834780892), which is responsible for French retail, European online sales and the European office, located in Paris;
- + Zimmermann Italy S.R.L. (10521850965), which is responsible for Italian retail; and
- + Zimmermann (Shanghai) Clothing Accessories Co. (913100000MA), which is responsible for Chinese retail and digital sales,

(together, the 'Subsidiaries').

Zimmermann International Pty Ltd, Zimmermann Holdings Pty Ltd and Zimmermann Wear Pty Ltd are required to report under the Act. This statement is made on behalf of Zimmermann International Pty Ltd, Zimmermann Holdings Pty Ltd and each of the Subsidiaries. In this document, unless otherwise apparent from context, references to 'Zimmermann', 'we' or 'us' are to the corporate group collectively.

Zimmermann is engaged in the design, manufacture, wholesale, marketing and retail sale of luxury womenswear, as well as childrenswear and accessories. Womenswear constitutes the vast majority of the business. The balance is childrenswear and accessories, such as bags, shoes, hats, jewellery and sunglasses.

OPERATIONS AND SUPPLY CHAIN

Zimmermann has 21 retail stores in Australia, 14 in the USA and 8 in the UK and Europe. Zimmermann also operates a digital business with sites in Australia, the USA, the UK, Europe, Hong Kong and via a third-party platform in Mainland China. In addition, it has international wholesale clients.

Zimmermann's head office is in Sydney. It has operations and sales offices in Paris and New York City. Approximately 650 people are employed by Zimmermann in Australia, the USA, the UK, France, Italy and China.

In relation to Zimmermann's supply chains, we define our Tier 1-5 suppliers as follows.

Tier 1 Final product manufacturing and assembly

Tier 2 Material manufacturing, such as suppliers of our fabrics and trims

Tier 3 Raw material processing, such as mills that create the yarn for fabrics

Tier 4 Raw material production, such as farms for cotton

Tier 5 Manufacturing of associated materials such as business and customer packaging

Our suppliers range from medium-sized facilities employing approximately 100 people to small artisan workshops and local cooperatives that specialise in traditional methods of craftsmanship. Garments represent the largest product category, accounting for 96% of our financial year 2021 spend, whereas accessories account for the remaining 4%.

In the reporting period we worked with the following:

Tier	Number of Direct Suppliers	Number of Production Sites	Location Breakdown by Spend
Tier 1 Garments	29	41	97.5% China 1.4% Portugal 0.7% Poland 0.3% Turkey 0.1% India
Tier 1 Accessories	22	24	48.8% Italy 28.1% China 7% Australia 4.8% Indonesia 4.2% India 2.7% Portugal 1.2% Philippines 1.2% Spain 1.1% Morocco 0.7% UK 0.3% Madagascar
Tier 2 Fabrics and Trims	48	101	95.2% China 3.1% Italy 0.8% Japan 0.5% France 0.2% India 0.1% Korea 0.1% Spain

RISKS OF MODERN SLAVERY IN OPERATIONS AND SUPPLY CHAIN

The assessment of modern slavery risks in our supply chain and operations is reviewed and updated regularly using industry and country specific risk indicators, social audit reports, civil society studies, and media articles among other resources. Since early 2020 we have also assessed how the global pandemic has impacted those risks as a result of social isolation, growing poverty and worsening discrimination which together increase the vulnerability to slavery for part of the global population.

The risk assessment has highlighted that across our stakeholder groups, which include our employees, contractors, suppliers and other business partners, the most material risks of modern slavery arise in our supply chain. Therefore, we conducted a more in-depth assessment to identify specific supply chain-related risks and risk mitigation opportunities.

In particular, we reviewed country risks, including political factors, socio-economic and environmental factors, paired with sector risks such as supply chains complexity, employment of vulnerable workers, recruitment practices and purchasing practices.

Based on this assessment we identified Asia as a higher risk supply chain region for Tiers 1 to 4.

Other risks:

- + Home working used by some suppliers in relation to accessories, trims and hand crocheted garments. Since home workers work outside the factory premises, there is the risk of weaker labour conditions which increases the worker's vulnerability to unethical practices.
- + Complex supply chains and lack of transparency beyond Tier 2 which prevent effective risk management and remediation of issues that may arise in areas of the supply chain further away from company operations. This applies especially to the production of cotton which poses risks of modern slavery globally.

GOVERNANCE

Ultimate responsibility for Zimmermann's adherence to ethical business practices resides with the Board and COO. Our COO is personally involved in the day to day work on modern slavery prevention, which reflects the importance of the issue within the business.

Zimmermann also employs a full-time Global Sourcing Manager and a full-time Sustainability and Social Compliance Manager who have day to day responsibility for assessing and managing modern slavery risks and work closely on this issue with a crossfunctional team from the following Zimmermann departments: Sourcing, Production, Human Resources, Legal, Logistics and Procurement.

RELEVANT MEMBERSHIPS AND PARTNERSHIPS

In October 2020 Zimmermann became a member of the UN Global Compact and declared support for the Ten Principles on human rights, labour, environment and anticorruption. Zimmermann regularly participates in sustainability seminars, issue-specific workshops including those on modern slavery, multi-stakeholder convenings including policy dialogues, and other events organised by the Global Compact globally or locally. Through these steps Zimmermann is engaging with peers and stakeholders to build meaningful collaboration and make a positive impact.

In response to the disruption to global supply chains caused by the covid-19 pandemic, Zimmermann endorsed the ILO Call to Action. The Call to Action aims to catalyse multi-stakeholder action to support manufacturers to survive economic hardship and to protect garment workers' income, health and employment. This global action also advocates for work on sustainable systems of social protection for a more just and resilient garment industry. The ILO convenes an International Working Group, coordinated by the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC), including brands and manufacturers, workers and employer organisations and governments, to further elaborate the implementation steps necessary to deliver on these commitments. Zimmermann has actively engaged with the Call to Action and given its contribution to the advancement of the initiative.

Zimmermann has also partnered with Nest to conduct wage diagnostics and ensure well-being of workers employed by cooperatives of artisans from which we source and develop handmade accessories.

In addition, Zimmermann regularly connects with peers and external experts to explore collaboration opportunities and update its ethical trade programme roadmap.

DUE DILIGENCE

Zimmermann's garments are manufactured by a group of long-standing suppliers¹. However, Zimmermann does engage with new Tier 1 suppliers, often in relation to the production of a small number of seasonal items such as belts and accessories.

Where Zimmermann engages new suppliers, we have a 3-part onboarding process:

+ Exploratory phase: In addition to assessing a potential supplier for overall quality and workmanship skills, we assess whether the supplier has existing certifications from a reputable independent auditor regarding social, ethical, and environmental matters. We also typically conduct site visits to assess for ourselves the current level of compliance regarding the standards set out in our Supplier Code of Conduct. Unfortunately, the Sydney-based production team has not conducted site visits since early 2020 due to Australia's international border closures. Instead site visits have been conducted by Zimmermann's full-time Merchandising and Quality Assurance Technician staff members based in China. This team has extensive experience in the operations and a trained knowledge across supplier best practices. When required these employees have conducted initial site pre-audit inspections for health & safety compliance and reported their findings to the Global Sourcing Manager.

- + Pre-Engagement: We have a discussion with the potential supplier about our Code of Conduct and the potential supplier is asked to sign it. In this reporting year we conducted two pre-audits in advance of engagement with the new suppliers.
- + Engagement: We negotiate commercial terms, finalise legal documentation and work with the supplier to set up the business arrangement.

Our Code of Conduct is a key part of the commercial agreement. After the onboarding process, the supplier is required to pass an annual independent audit.

Suppliers that have signed our Code of Conduct:

Tier	Financial Year 2021	Financial Year 2020
Tier 1 Garments	98%²	96%
Tier 1 Accessories	92%	86%
Tier 2 Fabrics and Trims	98%²	82%

¹ For garments, we work with 4 primary suppliers making 62% of our garment production by spend.

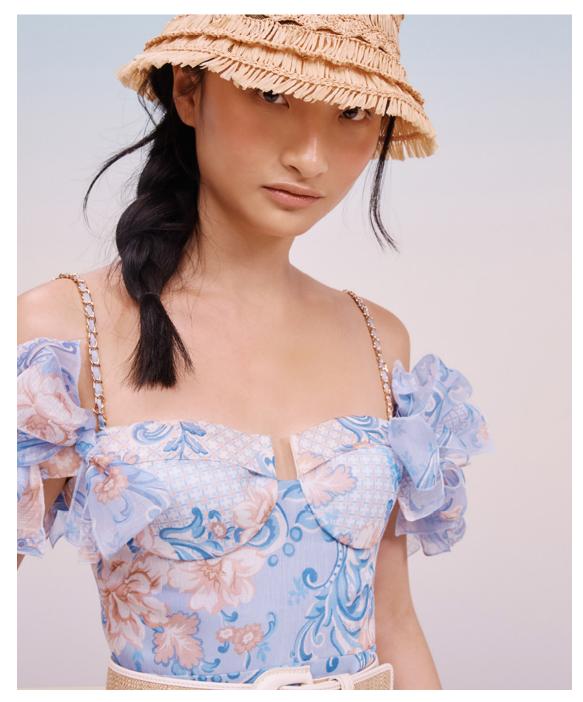
² Includes 100% of our major suppliers.

RELATIONSHIP WITH OUR PRIMARY SUPPLIERS

During the reporting period, approximately 62% of Zimmermann's garment production by spend was produced by our four Primary Suppliers.

We have worked closely with each Primary Supplier for over 10 years and have established strong commercial relationships with them. Each Primary Supplier works either exclusively or near-exclusively for Zimmermann. We have a regular dialogue with them regarding forward planning and workflow, which assists the Primary Suppliers with ensuring adequate staffing for busier periods. In our interactions with suppliers, our focus is on building strong, long-term partnerships which are mutually beneficial.

In selecting suppliers, we prioritise the quality of the workmanship and our ability to work together. We pay suppliers on time.



AWARENESS

1) SUPPLIER TRAINING

Our Tier 1 and Tier 2 suppliers attended a training session in June 2021 developed and delivered by Zimmermann. The training covered modern slavery and related risks in the fashion supply chain, due-diligence processes to ensure that risks are managed appropriately, and transparency requirements.

The training was attended by 63 supply chain representatives mostly from senior management and merchandising staff.

Following the training, all participants were asked to complete a Transparency Self-Assessment Questionnaire (SAQ) that has provided us with valuable insight on risks and opportunities in the sphere of human rights and labour standards. The training and self-assessment are the first step of a continuous improvement programme whereby, leveraging our strong supplier relationships, we will continue driving positive change for the workers in our supply chain. We also see in this programme an opportunity to build durable relationships with new suppliers who we hope to support in their pathways to build and maintain ethical and sustainable businesses.

Tier	Number of suppliers who attended the training	% by spend	SAQ response rate
Tier 1	27	87%	56%
Tier 2	16	81%	59%

We recognise that some parts of our supply chain have a longer journey ahead, especially some of our Tier 2 suppliers who need additional support to familiarise themselves with the requirements of our Code of Conduct. Being aware of the challenges that some of the Tier 2 sites face in meeting those requirements, we have offered additional support with a capacity building programme. This commenced with a workshop series comprising of three sessions which were held across three consecutive days at the end of June 2021 and planned and delivered with the support of third-party expert advisors on labour standards and health and safety.

This time, we did not only invite our direct suppliers, but we extended the invitation to their subcontractors, being the production facilities engaged in the production of our fabrics and trims. Each production site was asked to nominate three representatives to attend the workshops including a site manager, a health & safety committee representative and a worker representative. The workshop series commenced with a message from Zimmermann's COO reiterating the importance of engaging and working together to raise labour standards. Of the 26 mills invited, 20 attended the workshops.

Following the workshops, all mills were asked to work on some corrective action plans with the assistance of our external expert advisors. We are currently reviewing those corrective action plans to identify any additional support that we can provide to our mills during the action plan implementation phase and beyond. As a next step, we have planned one-on-one conversations with suppliers to identify and address the root cause of any remaining issues.

2) INTERNAL TRAINING

We have rolled out a training module for all employees globally to raise awareness of modern slavery risks in the fashion supply chain.

We have also organised a workshop for dedicated teams, whose responsibilities involve working with third parties, suppliers and contractors. The workshop provided further education on the potential social impacts of our business activities, as well as evaluating mitigation and remediation strategies.

ASSESSMENT OF EFFECTIVENESS

1) AUDITS

Audits are one way Zimmermann assesses the effectiveness of the actions we implement to address modern slavery risks.

We audit Tier 1 garment factories within 6 months of starting a business relationship with a new supplier, and the audit is repeated yearly unless a noncompliance is identified which requires a re-audit to verify that the necessary corrective actions have been implemented.

Since late 2020, we have commenced auditing Tier 1 accessory factories, Tier 2 fabric and trim mills and home workers. The latter are audited following an approach that is tailored to the specificities and risks of home working.

We also accept audit reports commissioned by other organisations, providing that they are not older than 12 months, that the audit framework adopted meets our standards and that we have access to the audit findings and corrective action plans. We are committed to ensuring that all our suppliers meet the requirements stated in our Code of Conduct and the workers in our supply chain are guaranteed a safe and respectful working environment.

We address any non-compliance promptly and work collaboratively with our suppliers to ensure that corrective actions are implemented within an agreed timeline depending on the severity of the issue.

AUDIT DATA:

Sites audited in the reporting period

Tier	Total number of sites	Number of sites we audited in the reporting year	Number of sites with a valid audit at the end of June 2021 ¹	% of new sites audited in the reporting year
Tier 1 Garments	41	12	39	83%
Tier 1 Accessories	24	7	16	50%
Tier 2 Fabrics and Trims	101	19	22	22%

Includes sites that have been audited on request of organizations other than Zimmermann according to audit standards that we approved and where we have access to audit findings and corrective action plans.

Risk indicators monitored¹

Indicator	Mainland China Tier 1	Mainland China Tier 2	Hong Kong Tier 2	Italy Tier 1	Portugal Tier 1
Foreign migrant workers	0%	0%	0%	8%	1%
Female workers	69%	51%	57%	54%	86%
Age of youngest worker	19	18	26	20	22
Incidents of forced labour, inhumane treatment or freedom of association	0	0	0	0	0

2) WORKERS SURVEYS

In the reporting period we rolled out a worker voice assessment which has so far reached 426 workers (69% women and 31% men) across 16 supply chain sites. We have used this survey as a tool to gain further insight on workers' wellbeing, as we are aware of the limitations of an audit in identifying some more complex issues such as harassment, discrimination or inhumane treatment. Participants are encouraged to complete the survey away from the workplace and the answers are anonymous.



¹ Rows 1 to 3 include only those sites that have received an audit arranged by Zimmermann. Audits commissioned by other organisations are excluded. We will strive to include data referring to all audited sites in next year's statement.

SURVEY FINDINGS:

Indicators	Strong Performance	Satisfactory Performance	Needs improvement	Needs significant Improvement	Average Score
Work Atmosphere ¹	63%	31%	6% (1 site)	0%	Strong Performance
Grievance Mechanism ²	56%	38%	6% (1 site)	0%	Satisfactory Performance
Wage and Hours ³	44%	50%	6% (1 site)	0%	Satisfactory Performance
Safety and Productivity ⁴	19%	81%	0%	0%	Satisfactory Performance
Workforce Stability ⁵	81%	19%	0%	0%	Strong Performance

This assessment enables the identification of any material issues in production sites and gaps in grievance mechanisms and remediation available to the workers in our supply chain. We will continue to implement this type of assessment while we plan for the provision of additional tools such as grievance mechanisms to workers in our sites in high-risk areas.

 $^{^{1}\,}$ Freedom from harassment, verbal abuse and equal treatment between men and women

Workers are willing to speak up for suggestions or complaints and think suggestions will be treated seriously

³ Workers understand how their wage is calculated and think their wages are fair

⁴ Workers feel safe working at the site and understand quality requirements

⁵ Workers are willing to work at the site medium or long term and would recommend it as a good place to work



3) COOPERATIVES WAGE ASSESSMENT

Many of our accessories are made by artisan workshops and co-operatives. In Australia, we work with The Hatmaker on handcrafted hats, and we partner with Petite Grande to make jewellery.

We have sourced and developed handmade accessories from cooperatives based in Madagascar, Morocco and the Philippines. Because this type of work usually takes place in non-traditional and decentralised workspaces, we have partnered with Nest to conduct wage and workplace diagnostics to ensure worker well-being.

Some examples of the cooperatives are below:

- + In Madagascar we produce raffia finished materials which are made into bags, visors and footwear uppers. This facility has been a long-term Zimmermann supplier and we are dedicated to laying a solid foundation for their future participation in Nest's Ethical Handcraft Programme.
- + In Morocco we partner with a handmade leather and raffia bag cooperative which is SA8000 certified and building the groundwork for future enrolment in the Nest Ethical Handcraft Programme.
- + In the Philippines, our cane and raffia bag maker is part of the Nest Artisan Guild.

REMEDIATION PROCESS

Zimmermann Audit Policy and Procedures establish the process to manage critical non-compliances identified during audits, workers interviews and surveys.

Based on our current process, issues that require immediate resolution must be addressed without delay when there is a risk to worker's safety or which constitute a critical breach of workers' human rights. If the issue is identified during an audit, the auditor will inform Zimmermann within 24 hours. The resolution will have to prioritise the worker well-being. Depending on the severity of the issue this may involve:

- + Discussing the matter with the supplier, if safe for the workers;
- + Engaging local NGOs, trade unions, community organisations or authorities (where appropriate and safe);
- + Reporting the matter to the police, if safe for the workers;
- + Facilitating workers' access to restitution or compensation.

As part of the remediation process we also take into account situational challenges such as:

- + Lack of law enforcement and legal protection;
- + Consent from the victim on the type of action that is being undertaken;
- + Lack of local expert organizations;
- + Potential unintended consequences of the remediation pathway identified;

+ Wider structural issues that require involvement of multiple stakeholders.

In the reporting period, we continued working with our suppliers and factory owners to rectify instances of non-compliance identified during audits, workers interviews or through workers surveys.

As well as working on remediating specific issues, we delivered training to suppliers and production site managers to ensure long-term improvement and preventive action implementation. In particular, we focused on transparency to ensure the availability of adequate records to verify that all workers are paid correctly, that wages are not withheld and that overtime is not compulsory or excessive.

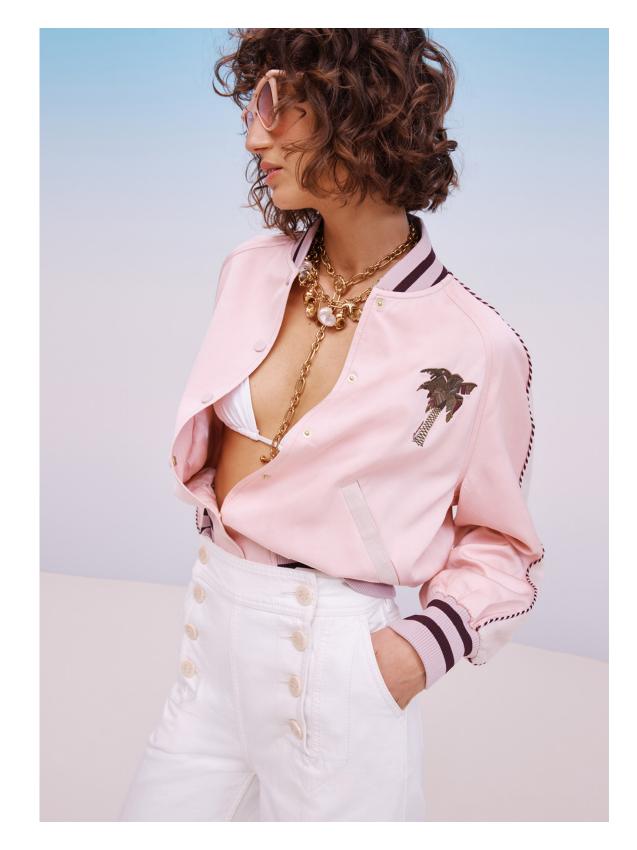
In one instance, our 3rd party audit identified a critical issue in a Tier 2 site that had shown poor transparency due to lacking payroll records and working hours logs. Our Global Sourcing Manager who is responsible for audit tracking and corrective action plan monitoring, worked with the supplier over several weeks leading up to the supplier transparency training. As a result of the one-on-one support and supplier training, the site management took action and implemented strategies to guarantee appropriate record-keeping, providing sufficient evidence to demonstrate understanding of legal requirements and implementation of long-term solutions. These included identifying clear responsibilities for the execution of the corrective action and adopting suitable procedures as an integral part of the site's management systems.

SUPPLY CHAIN MAPPING

Zimmermann has prepared detailed maps of our Tier 1 and 2 suppliers and their production facilities where we can assess risks through site visits and audits.

However, we are aware that risks of modern slavery go deeper in the supply chain and appreciate the need to gain better visibility of our upstream supply chain beyond Tier 2. We are exploring ways to better manage the impact that our business has on people well beyond our direct suppliers. In fact, we have engaged with our largest fabric suppliers to trace the materials we use back to Tier 4.

We have begun with cotton and silk which account for over 50% of our total fabric mix. To date 57% of our cotton spend and 39% of our silk spend have been mapped out to Tier 4.



PLANNED PROGRESS

PLANNED PROGRESS

The following table outlines the progress we have made against the KPIs we set in our previous Statement. It also shows our KPIs for the next reporting period.

The KPIs we set in our first Modern Slavery Statement	Progress made in the reporting period	KPIs for the next reporting period 1 July 2021 to 30 June 2022
SUPPLIER MAPPING		
 + Maintain accuracy of Tier 1 supplier mapping + Increase Tier 2 supplier mapping 	Both targets were achieved and in addition we have mapped some supply chain to Tier 3 and 4.	 Maintain accuracy of Tier 1 and Tier 2 fabric and trim supplier mapping Continue Tier 3 and 4 supplier mapping
CODE OF CONDUCT		
 Maintain execution rate of 100% for Major Tier 1 garment suppliers Maintain execution rate of 100% for our Major Tier 2 suppliers Increase execution rate to <90% of our Tier 1 accessories suppliers 	We increased execution rate to 92% for accessories suppliers and maintained 100% execution rate for our Major Tier 1 and Tier 2 suppliers.	+ Continue increasing execution rate across Tier 1 and 2 including seasonal suppliers

PLANNED PROGRESS

SITE VISITS

- + Maintain visits to 100% of all Tier 1 suppliers
- + Increase visits to each Tier 1 factory to 85%
- + Increase visits to Tier 2 fabric mills to 70%

Unfortunately, the Sydney-based production team was unable to conduct site visits globally due to Australia's ongoing international border closures. Some sites visits were conducted in China by Zimmermann's in-country Merchandising and Quality Assurance staff.

- + Resume site visits as soon as travelling is permitted and:
- + Maintain visits to 100% of all Tier 1 suppliers
- + Increase visits to each Tier 1 factory to 85%
- + Increase visits to Tier 2 fabric mills to 70%

AUDITS

- + Maintain annual third party audits for all Tier 1 suppliers
- + Progress implementation of a grievance mechanism for workers in China
- + Conduct audits of home worker arrangements
- + Wage reviews undertaken by a qualified NGO for all ZIMMERMANN cooperative suppliers
- + Roll out a Modern Slavery self-assessment questionnaire to all Tier 1 and 2 suppliers

As well as maintaining third party audits for Tier 1 suppliers, audits have been extended to Tier 2 and home working arrangements.

An anonymous workers sentiment survey was rolled out across 16 sites, as an initial step towards implementing a grievance mechanism.

We partnered with Nest to conduct a wage assessment for all cooperative suppliers.

We rolled out a Supply Chain Transparency self-assessment questionnaire (SAQ) with 87% of Tier 1 suppliers and 81% of Tier 2 suppliers by spend.

- + Maintain annual third party audits for Tier 1 and Tier 2 suppliers
- + Continue the deployment of Worker Sentiment Surveys while progressing implementation of other tools to address workers grievances
- + Increase the Supply Chain Transparency SAQ response rate

PLANNED PROGRESS

EDUCATION AND TRAINING					
 Participate in the work of the International Labour Organization and the International Organisation of Employers, in relation to labour standards Roll out internal training on modern slavery Vendor training on modern slavery completed by 100% of Primary Suppliers 	We have joined the ILO Call to Action and actively participated in their convenings. We have rolled out an online internal training to raise Zimmermann staff awareness of modern slavery, organised a workshop on this topic for dedicated internal teams and held a training session for Tier 1 and Tier 2 suppliers.	 Continue staff training on modern slavery including full training for new employees and refresher training for existing staff. Continue supplier engagement on transparency, due-diligence and modern slavery risks assessment and mitigation. 			
REMEDIATION WORK					
+ Apply resources to educate and train the facility to improve performance during Corrective Action Plans and in advance of re-audit.	We have rolled out a capacity building programme for Tier 2 production sites with non-compliances identified during the audit.	+ Engage with peers and local organisations to progress the capacity building programme			

PROCESS OF CONSULTATION WITH OTHER ENTITIES

This statement was approved by the Board of Zimmermann International Pty Ltd on 15 December 2021, the Board of Zimmermann Holdings Pty Ltd on 15 December 2021 and the Board of Zimmermann Wear Pty Ltd on 15 December 2021.

It is signed by Simone Zimmermann, who is a Director of each company, on behalf of each Board. This statement was also the subject of considerable cross-functional input across the business, prior to Board approval.

Signed

Simone Zimmermann

Director

Zimmermann Wear Pty Ltd Zimmermann Holdings Pty Ltd Zimmermann International Pty Ltd

Dated: 15 December 2021

