

GAZMAN

AUSTIN RETAIL DISCRETIONARY TRUST

# MODERN SLAVERY STATEMENT

FY 2023-24



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A man with a beard and curly hair, wearing a dark cable-knit sweater and jeans, is smiling and leaning against a weathered wooden post. He is standing outdoors near a body of water, with a rocky shoreline visible in the background. The image has a dark, moody aesthetic with a blue-grey color palette.

# 1. Introduction, Reporting Entity and Approval



# What is Modern Slavery?

Modern slavery is when coercion, threats or deception are used to exploit individuals and deprive them of their freedom. These are serious crimes globally, and in Australia, and include trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services. What these things all have in common is that they undermine a person's freedom and ability to make choices for themselves<sup>i</sup>.

i. Red Cross Addressing Modern Slavery, A Guide for Australian Businesses

This is the second Modern Slavery Statement lodged by GAZMAN Pty Ltd as trustee for the Austin Retail Discretionary Trust ABN - 56789496568, (referred to as "ARDT"). Trading as GAZMAN (referred to as "GAZMAN" "The Company") Sole Director: Will Austin.

Covering the reporting period ending 1st July 2024.

GAZMAN is a privately owned business, and its registered address is.

**1320 Malvern Road, Malvern 3144. Victoria, Australia**

This statement outlines our actions to identify, assess and address the risks of modern slavery across our supply chain and operations.

In doing so we acknowledge the inherent risk associated with the procurement of Apparel, Accessories and Footwear in today's global marketplace, and are committed to making improvements that increasingly mitigate these risks.



# Letter from the CEO

Following on from our First Modern Slavery statement submitted in the reporting year 2022-23 we have worked across our operations to encourage practical ways for team members to identify and address the risks of Modern Slavery.

This includes rolling out of Modern Slavery training to all product facing teams, and the introduction of a supplier code of conduct for our Australian based suppliers.

We have continued to work closely with our offshore supply chain to address inconsistencies in our annual audit reports in addition to beginning work with our non-apparel and accessories suppliers to better understand the procurement of items such as visual merchandising materials and equipment, as well as undertaken a further review of local service providers.

We have recently brought our warehousing operations back in house providing us with an opportunity to better manage related services and transportation of our stock throughout the supply chain.

Will Austin

December 2024





A man with dark, wavy hair and a light beard is walking on a wide, light-colored stone path. He is wearing a light-colored polo shirt and light-colored trousers. The background shows a desert landscape with various cacti and a clear sky. The image has a blue tint.

# 2. Review and Approval of this Modern Slavery Statement



Pursuant to the requirements of the Modern Slavery Act 2018 (Cth) the contents of this statement have been reviewed and confirmed as accurate by the authorised person(s). This statement will be submitted by the required deadline December 31st, 2024, and following submission will be published on the Modern Slavery Register.

This Modern Slavery Statement was approved on 12 December 2024 by

A handwritten signature in white ink, appearing to read 'Austin', is positioned to the right of a horizontal line.

**William Austin**

Sole Director

Gazman Pty Ltd (Principal Governing Body)



A man with short, light-colored hair and a light beard is wearing a dark, textured blazer over a dark t-shirt. He is looking off to the side with a serious expression. The background is a blurred city street with buildings and trees. The entire image has a dark blue overlay.

# 3. Our Structure, Operations and Supply Chain



# Company Overview

GAZMAN is a “Brand for All Generations,” providing contemporary casual & business Apparel and Accessories, allowing men to dress with confident style, comfort, and value.

The origins of what was to later to become GAZMAN started in 1974 and it remains an Australian owned and family run business committed to supplying outstanding quality product at exceptional value.

From humble beginnings, GAZMAN has grown to become a much loved and celebrated Australian menswear brand.

Our belief in exceptional customer service; value for money and an outstanding, quality product has continued to form the foundation of our business.

## Our Corporate Structure

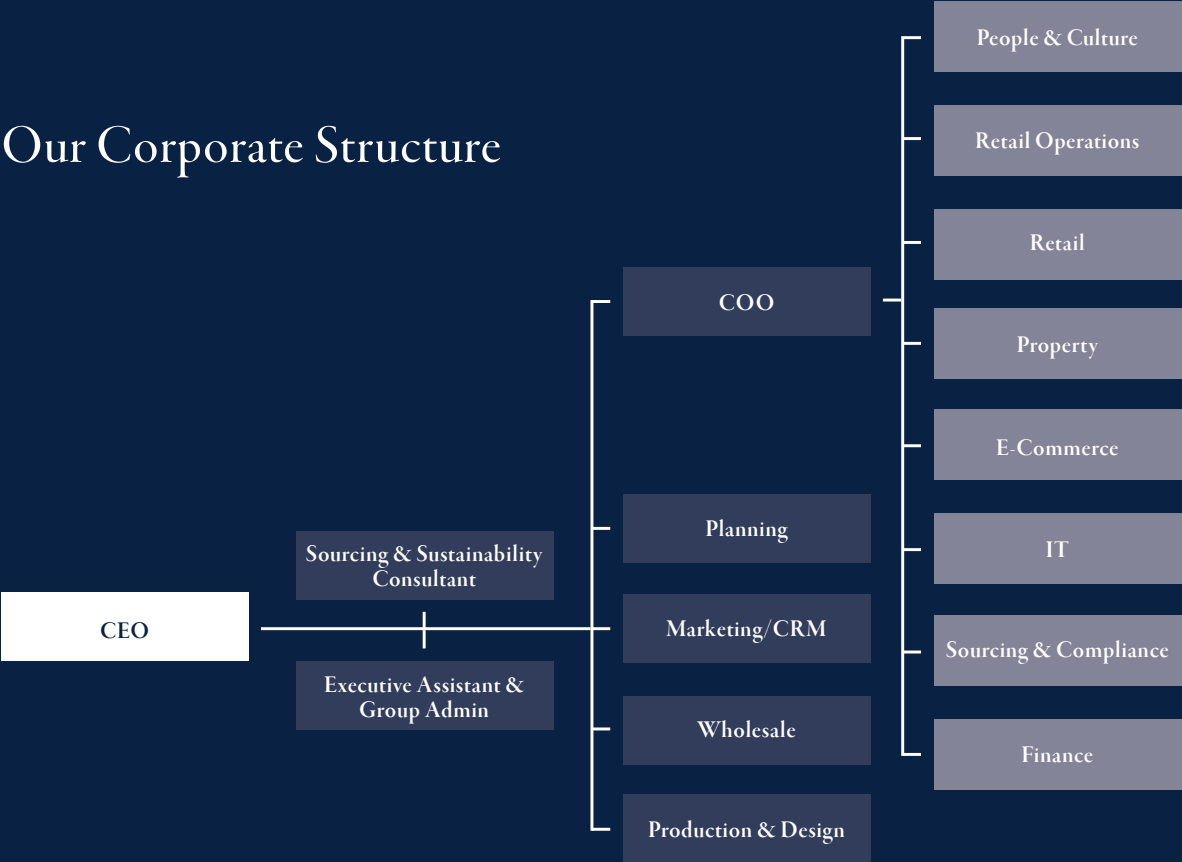


Figure 3.1<sup>ii</sup>

## Our Brand and Stores

In this reporting period GAZMAN trades in ninety store locations across Australia, and online. Our Store network consists of Retail stores we own and operate as well as an online business. In addition, we operate a wholesale business including representation through Myer and select independent retailers.



# People

We employ 776 people throughout our Retail Stores, Support Office and Distribution Centre, across departments, including, Customer Service, Design, Product Research and Development, Sourcing, Warehousing, Wholesale, Marketing, Finance, IT, and Human Resources.

All employees are employed via the Austin Employment Trust ABN-11349852088

# Employee Breakdown

Employee Details 23/24				
	Stores	Support Office	Distribution Centre*	Total
Casual	462	7	0	
Full Time	146	65	8	
Part Time	39	31	0	
Contractor	0	1	15	
Consultant	0	2	0	
Total	647	106	23	776

Table 3.2 Austin Employment Trust Employee breakdown<sup>iii</sup>

# Local Operations

Through our day-to-day operations we purchase products and services from many suppliers across all areas of our business. This includes services such as freight and logistics as well as office supplies and printing. There are over 500 suppliers we have transacted with in this past reporting year.

Across our retail footprint of 90 stores, we have a mix of shopping centre, regional and strip locations. Given the broad store base and the number of regional/strip locations we are compelled to use multiple suppliers or contractors within a service category such as waste removal and recycling or cleaning. Where possible our preference is to utilise the services of a single provider to minimise replication and enhance efficiency.

As with our previous report, for the purposes of Modern Slavery risk analysis, we have grouped our local suppliers broadly by sub-category. These are listed below with a brief description of the services/goods included in each category.



Gazman Local Suppliers Grouped by Category<sup>4</sup>

GAZMAN Local Suppliers of Goods & Services	Financial & Legal Services	Accounting & Insurances
	Builders & Shopfitting	
	Cleaners & Waste Contractors	Office Cleaners, Waste Collection Services, Recycling
	IT Services including eCommerce	IT Consulting, Security & Storages, Software Support, Data Analytics
	Catering	
	Garment Repair Services	Tailoring & Dry Cleaning
	Marketing & VM	Mannequin Supplier, Instore hangers, Display &
	Recruitment Providers	Employee Search, Placement & Training
	Leasing & Property Services	Rental Providers, Shopping Centres, Maintenance
	Security Providers	
	Stationery & Office Supplies	
	Utilities	Electricity, Water, Internet Providers, Telecommunications
	Warehousing & Logistics	Transport, Air, Sea and Road Freight, Customs Clearance

These broad groupings allow us to focus on key risk areas for Modern Slavery by industry, as identified in the Global Slavery Index ([www.walkfree.org](http://www.walkfree.org)).

For the Retail industry, following service categories would be considered at a higher risk for Modern Slavery occurring, Builders & Shopfitting, Cleaners and Waste Contractors, Security Providers, Warehousing & Logistics.

# Offshore Operations: Our Finished Goods Supply Chain

## Countries of Manufacture

**Apparel:** 35 Suppliers across five countries.

**Accessories:** 17 Suppliers across three countries

**Footwear:** 7 Suppliers across five countries

In the reporting period 2023/24 we sourced Finished Goods from a total of 59 Tier One Suppliers located in six countries across Southeast Asia.

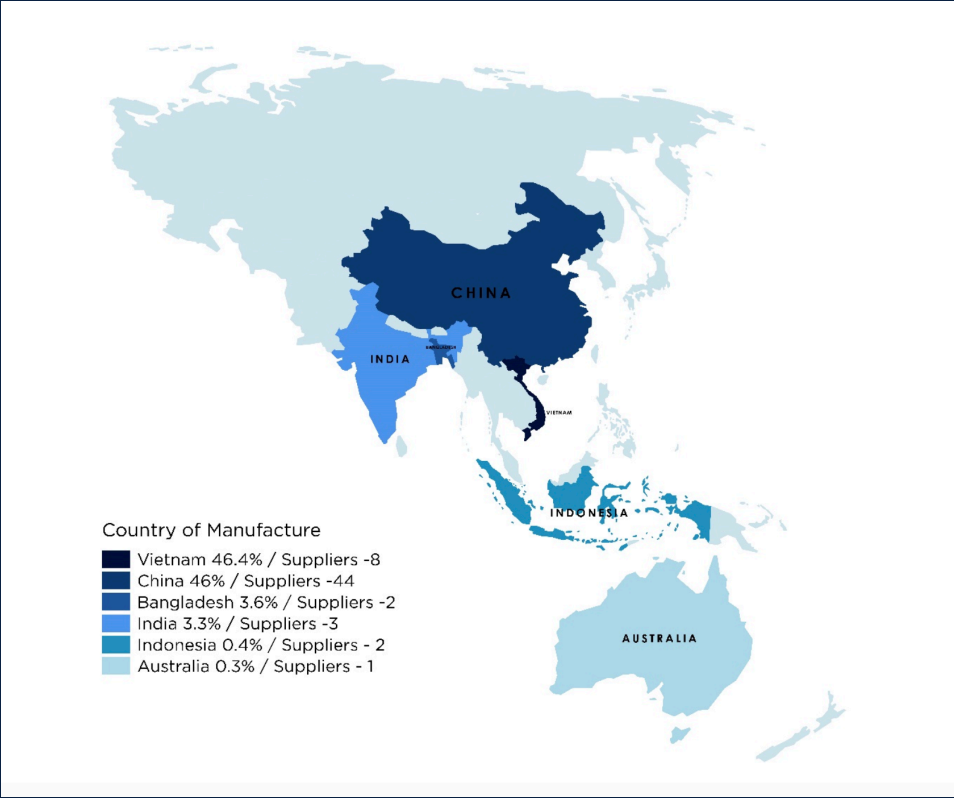


Figure: GAZMAN Offshore Finished Goods Manufacturing Locations FY24/25



## Goods Manufactured in each Location by Product Category

Country	%	Total	Apparel	Accessories	Footwear
Vietnam	46.40%	8%	7		1
China	46%	44%	26	16	2
Bangladesh	3.60%	1%			1
India	3.30%	3%	1		2
Indonesia	0.40%	2%	1		1
Australia	0.30%	1%	0	1	0
		59	35	17	7

Table Goods manufactured in each location as a % of the total<sup>8</sup>

Our products are designed and developed in Melbourne from our Support Office located in Malvern, this work is supported by a team that includes Designers, Product Developers & Garment Technicians, along with a Sourcing and Compliance team comprising a Sourcing Manager, Production Coordinator, Quality Assurance Manager and QA Co-ordinator.

We received finished goods across Apparel, Accessories and Footwear from 59 Tier One manufacturers in this reporting period. These manufacturing facilities are located across six South East Asian countries, with the largest proportion of goods being supplied from facilities located in Vietnam (1) and China (2).

## Supplier Relationships

We continue to annually review all finished goods suppliers using standard business performance metrics, including 3rd party Audits, team feedback on quality, on-time delivery, pricing and communication, this data is then reviewed by the sourcing team to establish any likely risk profile for modern slavery.

As we continue to improve our oversight of all suppliers, we expect we will also see a rationalisation of some of these which may lead to new suppliers being onboarded to better meet our sourcing requirements.

## Apparel Sourcing

Strategically we began to move away from China as our primary sourcing location 3 years ago.

This shift to alternative manufacturing locations can now be readily seen with Vietnam our largest tier one sourcing location in this reporting period. The table below clearly highlights the country risks of all Tier one sourcing locations in this reporting period.

The highlighted figures indicate the countries at highest risk in each key area identified in the Walk Free Global Slavery Index (The Global Slavery Index).

Country	Prevalence of Modern Slavery (Per Thousand People)	Vulnerability to Modern Slavery	Government Response
Australia	1.6	6.8	66.7
China	4	45.5	39.7
Vietnam	4.1	43.9	47.4
Indonesia	6.7	48.6	50
Bangladesh	7.1	58.1	48.7
India	8	56	46.2

Table Walk Free Global Slavery Index<sup>10</sup>

**Prevalence and Number:** Measuring the scale of modern slavery in 160 countries. These national estimates of the prevalence per thousand people and number of people were calculated using individual and country-level risk factors of modern slavery. The analysis draws on thousands of interviews with survivors of modern slavery collected through nationally representative household surveys across 75 countries and Walk Free’s assessment of national-level



vulnerability. Unlike the national scores for vulnerability and government response, our data on the scale of modern slavery cannot be disaggregated (for example, by form of modern slavery or gender).

**Vulnerability to Modern Slavery:** Measuring the level of vulnerability to modern slavery in 160 countries. The vulnerability model estimates how vulnerable people in a country are to modern slavery and in what ways. Based on a set of country level indicators, the model is designed to enable us to identify and better understand the potential drivers of this crime. The 23 indicators of vulnerability were selected based on alignment with relevant theories and retained after further analysis. The indicators are organised into five major dimensions of vulnerability to modern slavery.

**Government Response:** Measuring national efforts to end modern slavery in 176 countries. The government response assessment provides a comparative look at the legal, policy, and programmatic actions that governments are taking to respond to modern slavery. This is based on data collected on 141 indicators that are relevant to understanding how each government is tracking towards achieving 42 activities organised into five milestones. Each milestone represents an aspect of a strong government response to modern slavery; for example, supporting survivors to exit and remain out of modern slavery.

Whilst China has a low prevalence of modern slavery per capita when compared to other countries in our sourcing profile, and a medium risk of vulnerability to modern slavery there is concern at the lack of perceived progress on eliminating risks of forced labour in the Xinjiang region. As such China remains the country of greatest concern in terms of a concerted government response to eliminating forced labour in supply chains.

*The very real risk of forced labour being used in both the textiles and apparel manufacturing markets in China remains extremely high,*

(GSI Importing Risk: The Value of Products at Risk of Forced Labour, GSI)

India is shown to have the highest rate of modern slavery per capita, however this is considered a minimal risk for our business via our apparel partner. We continue to work closely with our footwear supplier to have transparency of conditions across our two Indian footwear suppliers.

Finally, Bangladesh shows the highest risk for vulnerability to modern slavery, across all industries. Our Bangladesh footwear supplier is managed via an existing USA partner/agent. This supplier has recently changed ownership, and we are in the process of re-engaging with new management on our Code of Conduct. Our long-term Apparel manufacturer is also managed via a China based Parent Company.

We continue to have good transparency across our tier one manufacturing partners, via the regular audit system and factory visits. All current suppliers are signed to our Supplier Code of Conduct, and we continue to see improvements year on year in the longevity of supplier relationships.



## Accessories and Footwear

We are in the process of reviewing our Accessories and Footwear strategy, with a view to reducing the number of suppliers as well as the complexity involved in dealing with the sheer number of finished goods manufacturers required to deliver a compelling instore offer across a huge breadth of product categories.

We use multiple tools to manage this including our supplier map to track relationships between manufacturing facilities, export companies and agents, as well as ensuring regular audits are reviewed and individual supplier risk assessments carried out.

One of the biggest challenges is in ensuring the Agents who source products on our behalf understand fully the need for transparency of our supply chains. At times this has proven quite difficult, and it is apparent that there are still gaps in understanding and knowledge of supply chains generally and why it is so important to address the potential risks of modern slavery.

We will continue to work closely with all our partners to educate them on the risks of Modern Slavery with a view to improve supplier transparency across all categories.

The table below has been updated from our last report and indicates the length of our relationships with our suppliers, by category. Footwear is the most recently added category and this is reflected in the much shorter length of time we have worked with these suppliers.

The accessories data reflects the breadth of product type included in this category, with new suppliers added as a new gifting category might be added on a seasonal basis for example.

Apparel makes up almost 89% of our purchase volumes with the balance split between Accessories 10.95% and Footwear at just 0.08%

Length of Relationship	Number of Suppliers Apparel	Number of Suppliers Accessories	Number of Suppliers Footwear	Total
10+ Years	13	4	0	17
5+ Years	7	2	0	9
Less than 5 Years*	15	11	7	33
				59

Table tenure of Suppliers across Apparel, Accessories and Footwear<sup>12</sup>



A man with curly hair and a beard, wearing a dark puffer vest over a long-sleeved shirt and jeans, stands outdoors with his hands in his pockets. The background is a blurred natural setting.

# 4. Identifying and Assessing Modern Slavery Risk



# Local Operations Risk Assessment

Following on from our initial work to better understand our local supply chain, we have continued to work closely with our local suppliers identified as operating in high-risk industries, to gain more transparency of their operations and understand any potential downstream risks.

The non-finished goods supplier Code of Conduct has been finalised and is now ready to roll out to our top 20 suppliers. This includes a detailed overview of our commitment to minimise any risks of Modern Slavery in our supply chains, along with a dedicated whistleblowers hotline with direct line to senior executive team members trained to deal with any calls in an appropriate manner.

*“The 2023 Global Slavery Index estimates that on any given day in 2021, there were 41,000 individuals living in modern slavery in Australia.*

*In the financial year ended 30 June 2022, authorities received 294 modern slavery reports. While this represents the highest number of annual reports ever received, it suggests that modern slavery remains underreported in Australia given the estimated prevalence rate of modern slavery.*

Walk Free Global Slavery Index <https://www.walkfree.org/global-slavery-index><sup>13</sup>



Our approach this past year has been to engage more directly with our network of local suppliers to better identify modern slavery risk indicators. Armed with this information we have been able to focus on these areas of highest risk, by industry.

Having said this whilst our supply chain is deep, our Tier 1 suppliers are generally smaller operators that we have long term relationships with, this allows closer working relationships and allows us to have better visibility over their operations.

Following on from last year's statement we took a deep dive into the key risk areas (for GAZMAN) identified below:

- Cleaners and Cleaning
- Warehousing and Logistics
- Building and Shopfitting
- Security Providers

## Local Supplier Risk Assessment by Industry Type<sup>14</sup>

Industry	Rating 22/23 (Y1)	Risk Assessment 22/23	Rating 22/23 (Y1)	Risk Assessment 23/24	Risk Mitigation Strategy 2024/25
<b>Cleaners and Cleaning contractors</b>		We engage with a number of small operators across our stores and corporate head office for cleaning services and they may employ cleaners who may be recent immigrants and could not be aware of their rights under Australian Law. Given the widespread use of sub-contractors in this industry, we may have low visibility on individual employment contracts, working hours and rates of pay.		Office Cleaning: Following on from last years reporting we have worked closely with our primary cleaning provider to gain an insight into his operations and so feel we have a low risk of modern slavery with this provider. We will however continue to monitor this paying particular attention to any changes in individual cleaners working on site or any change in general service levels.	Roll out of Austin Group Supplier Code of Conduct prior to Dec 2024, this sets out our clear expectations of both working conditions and legal requirements of ALL employers under Australian law. OVERALL RATING: Low, we have good visibility and insight to this supplier.
				Window Cleaning: We use a Nationwide Cleaning provider 21st Century who subcontracts to 90 owner/operators across Australia and New Zealand. They do not have any direct employees. There are two operators within this network operating in the Hunter Valley/ Newcastle area and another in Sydney who have direct employees, they appear to meet all their statutory obligations. As such there appears to be a low risk of Modern Slavery Occurring in this supply chain, however we will continue to monitor this closely.	Roll out of Austin Group Supplier Code of Conduct prior to Dec 2024, this sets out our clear expectations of both working conditions and legal requirements of ALL employers under Australian law. OVERALL RATING: Low risk. The business model of subcontracting to individual owner operators entails a very low risk of modern Slavery occurring.
				Waste Removal: Waste Service Limited (incorporating Premier Waste) lodged MSS 23/24.	Roll out of Austin Group Supplier Code of Conduct prior to Dec 2024, this sets out our clear expectations of both working conditions and legal requirements of ALL employers under Australian law. OVERALL RATING: Low risk. Good visibility of supply chain and lodge own MSS.
<b>Building and Shopfitting</b>		Sectors of the building and construction industry may employ sub contractors and so we would have low visibility on employment contracts, working hours and rates of pay along with any potential OH&S issues. This industry also employs unskilled workers and there may be a higher likelihood of at risk persons being engaged in some activities.		Building and Shopfitting: Southern Cross. All direct employees are contracted under Modern Awards across A/NZ. They use subcontractors across Australia, engaged under service level agreements which are reviewed every 12 months. Hourly rates for all subcontractor employees are agreed in writing by Southern Cross. International Fixtures suppliers are vetted by 3rd party auditors via a "Workplace Conditions Assessment Report". 3rd party labour hire firms are used when there is a shortfall of labour. No sponsored Visa holders within the organisation. In process of implementing their own modern slavery reporting.	Roll out of Austin Group Supplier Code of Conduct prior to Dec 2024, this sets out our clear expectations of both working conditions and legal requirements of ALL employers under Australian law. OVERALL RATING: Remains at Medium Risk. We have low visibility of sub contracting supply chain at this stage so have work to do with this supplier.

## Local Supplier Risk Assessment by Industry Type<sup>14</sup>

<b>Catering, Food and Beverage Supplies</b>		There is a higher risk of vulnerable people including students and newly arrived migrants working across these industries		NR	NR
<b>Warehousing &amp; Logistics</b>		Our third party logistics provider is contracted to provide a full service model including receipt of all goods, and pick and pack of outgoing stock to stores. Our primary freight and logistics partners are relatively large Australian operators who are in some cases submitting their own Modern Slavery Statement. There is inherent risk across both industries that due to the seasonality of the workforce, and unskilled nature of much of this work there may be a higher likelihood of at risk persons being engaged in these activities.		From the 6th of June 2024 we began the change over from our 3PL EFM provider to our own Distribution Centre located in Truganina, Victoria. This was completed in late July 2024. DC has 8 x FT Employees under ARDT, with pick and pack staff employed via 2 Labour Hire Firms.	Distribution Centre. All Operations are now in house so we have far better control with existing AG policies and procedures, All Permanent employees are now covered by Austin Group Contracts, pay and working conditions. OVERALL RATING: Low risk. Moving to in-house operations with very good oversight of 3rd Party labour providers. OVERALL RATING: Low risk.
				Risks identified Labour Exploitation of temporary or migrant workers. Oversight of third party labour hire firms, and contractors contracts.	Temporary pick and pack contractors are employed via two 3rd party labour hire firms managed via the DC HR Recruitment Coordinator. Labour Hire firms have been assessed with GM P&C oversight of employee contracts to ensure compliance with Storage Service and Wholesale Awards (MA000084). We provide onsite training to all new contractors prior to them starting their first shift and ensure they have understood all OH&S risks. (The long term plan is to transition to Permanent AG employees for our warehouse). OVERALL RATING: Low risk. Given strict oversight and adherence to internal company policies and procedures.
				All logistics within our border are managed via a single provider, Border Express who has lodged Modern Slavery Statements for the past 3 financial years 20/21, 21/22 & 22/23. In speaking with them in more detail and reading through the most recent MSS we are comfortable that there is a minimal risk of Modern Slavery occurring with this supplier and their supply chain. We will continue to monitor this closely.	1. Roll out of Austin Group Supplier Code of Conduct to this supplier prior to December 2024 this sets out our clear expectations of both working conditions and legal requirements of ALL employers under Australian law. 2. Use of 3rd Party Labour Hire, however seem to provide good oversight of this. 3. Internal company policies and procedures appear to be robust enough to mitigate risks. OVERALL RATING: Low risk.
<b>Security Providers</b>		We employ an external security company to install and monitor security systems across our stores network. We may have low visibility on individual employment contracts, working hours and rates of pay across this industry, however our sole security provider submits their own Modern Slavery Statement, so the risk is very low.		SecureCorp Pty Ltd lodged their most recent MSS covering CY23.	Roll out of Austin Group Supplier Code of Conduct prior to Dec 2024, this sets out our clear expectations of both working conditions and legal requirements of ALL employers under Australian law. OVERALL RATING: Remains as Low risk.

Industry risk level identified via Modern Slavery in Australia - Global Slavery Index Walk Free



# Offshore Country of Manufacture Industry Risk Assessment

*Modern slavery is hidden in plain sight and is deeply intertwined with life in every corner of the world. Each day, people are tricked, coerced, or forced into exploitative situations that they cannot refuse or leave. Each day, we buy the products or use the services they have been forced to make or offer without realising the hidden human cost.*

Global Slavery Index 2023 Page 3. Walk Free<sup>15</sup>

Utilising the Walk Free Global Slavery Index, as a guide to the potential risk of each country we manufacture in, we have updated our Risk Assessment table from last year’s report. This outlines the overall country risk rating by assessment against the following criteria.

- The prevalence of Modern Slavery
- A countries more generalised vulnerability to Modern Slavery
- The Government response to Modern Slavery including relevant legislation and the practical enforcement of this.

As previously we have included any known high-profile risks including:

- Cotton fibre supply chain concerns in Northwestern China
- Apparel manufacturing allegations of Forced Labour being used in supply chains in Northwestern China.
- Updated Bangladesh Accord [The International Accord for Health and Safety in the Textile and Garment Industry 2021]
- Concerns related to Freedom of Association in Vietnam

For this year’s risk assessment, we have included “Payment of all legislated social insurances and leave entitlements”, this is primarily to address the ongoing systemic management issues and poor adherence to process within many apparel facilities.

Additionally, whilst not in itself confirmation that forced labour may be occurring, we have highlighted the ongoing concerns with excessive working hours highlighted in many of our 3rd party audits received in the past 12 months.

Ongoing adherence to our Supplier Code of Conduct remain a clear focus for the Sourcing and Compliance team with very good oversight from both the COO and CEO. We have identified ongoing concerns with suppliers sub-contracting which we are addressing on a case-by-case basis and will discuss at length further.

Our Supplier Code of Conduct was reviewed and updated in October 2021, after which it was reissued to all existing finished goods Suppliers, with all new suppliers required to sign as they are onboarded.

## Risk Assessment Guide by Country 2023/24

### Risk Assessment Matrix Guide: Probability of this occurring<sup>16</sup>:

Probability	Very Low	Low	Medium	High	Very High
	Unlikely that this is an issue however it will be reviewed annually.	May occur in minimal instances. With remediation and CAP can be readily corrected.	May occur more often and should be a concern.	This will most likely be a concern.	This is expected to occur.
Impact	Insignificant/Acceptable	Minor/Acceptable	Significant/Unacceptable	Major/Unacceptable	Severe/Unacceptable

Table Risk Assessment matrix guide<sup>17</sup>

### Risk Assessment by Country of Manufacture:

Risk Assessment						
Austin Group Code of Conduct	Australia	Bangladesh	China	India	Indonesia	Vietnam
Employment is Freely Chosen	Very Low	Low	Medium*	Low	Very Low	Medium*
No Child Labour	Very Low	Very Low	Very Low	Medium	Low	Low
Freedom of Association and Collective Bargaining <sup>^</sup>	Very Low	Low <sup>^</sup>	Medium <sup>^</sup>	Medium <sup>^</sup>	Low <sup>^</sup>	Low <sup>^</sup>
Payment of a Living/Fair wage	Low	Very Low	Very Low	Low	Very Low	Low
Working hours are Excessive	Very Low	Low	Very High	Low	Very Low	Very Low
Regular employment is provided	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low
No Workplace Discrimination is practised	Very Low	Low <sup>**</sup>	Low <sup>**</sup>	Low <sup>**</sup>	Very Low	Very Low
Health and Safety	Very Low	Low	Low <sup>**</sup>	Low	Very Low	Very Low
Environmental Responsibility a concern <sup>^^</sup>	Very Low	High	Medium <sup>^</sup>	Medium	High	Medium <sup>^</sup>
Use Hazardous Chemicals in supply chain <sup>^^^</sup>	Very Low	Low	Very Low	Medium <sup>***</sup>	Very Low	Very Low
Risk of Subcontracting	Very Low	Low	High	High	Very Low	Very Low

Table Supplier Code of Conduct - Country Risk Assessment<sup>18</sup>



**Freedom of Association and Collective Bargaining**<sup>^</sup> as this may be restricted under law in some countries or territories, the ratings Low<sup>^</sup>/Medium<sup>^</sup> reflect this as this may hamper the independent function of Trade Unions.

**Environmental Responsibility a concern**<sup>^^</sup> all suppliers MUST meet the requirements for environmental responsibility under local legislation operating in their territories.

**Medium**<sup>\*</sup> Primarily due to internationally identified risk of Uyghur labour being used in Xinjiang region of China potentially impacting cotton supply chains.

**Low**<sup>\*\*</sup> minimal risk as we are generally not utilising heavy machinery in our production processes. Most breaches identified through regular auditing cycle tend to be sewing machine guards not being in place, or relatively minor breeches of occupational safety such as hearing tests not completed on entry/exit of employment.

**Medium**<sup>\*\*\*</sup> This identified risk relates specifically to the dyeing of leather in India and manufacture of leather related footwear and apparel products.

**Use of Hazardous Chemical in Supply Chain**<sup>^^^</sup> given the type of products we are manufacturing, (Apparel, Accessories and Footwear) the risk of hazardous Chemicals being used is minimal. Therefore, the risk assessment is based on where we are manufacturing goods only, and there is no inhouse dyeing, and minimal fabric finishing is required.

# Key Issues Identified in this reporting period FY2023-2024

Ranked in order from highest to lowest risk

## Unauthorised Subcontracting

We continue to see evidence of subcontracting particularly the use of unauthorised “Branch Factories” by some suppliers which is in direct breach of our Code of Conduct. This seems to have become more prevalent in the past 12 months as we have been more closely monitoring activities across our Tier One supply chain.

This is a complex issue impacted by multiple factors not always within direct scope of our control.

Subcontracting can occur when there is an influx of orders to a supplier which may result in our orders being moved to an alternative facility to make room for larger orders.

This is one area that is historically very difficult to control without being physically in a facility 24/7.

In most instances suppliers will not disclose that production has been moved and will defend this decision despite them being in direct breach of the signed code of conduct. We are in the process of establishing a more robust system to prevent this occurring as aside from the more obvious issue with the complete lack of transparency in an unknown facility, there is a direct impact on product consistency and quality.

We continue to enforce our Code of Conduct around this matter and to work closely with any Agents or Suppliers found in breach of this.

## Working hours are Excessive

This continues to be the number one issue identified in many facilities via third party auditing processes, and as such it is clear from the volume of reports we review, the issue is a systemic one across [primarily] China based apparel manufacturing facilities.

We are seeing little reduction in this issue post covid, where the availability of workers and rapid changes in the global retail landscape created uncertainty across the manufacturing industry. As the manufacturing workforce moves back to pre-covid levels in China, the impact of a fundamental shift in western retailers manufacturing base moving from China to Vietnam is having a more pronounced long-term effect on the available labour force in the apparel manufacturing sector. This has been exacerbated by the longer-term shift of workers from apparel to more lucrative manufacturing roles in electronics.

***“The management representative declared that due to labor (sic) shortage and the factory needed to balance the overall salary, turnover rate, product delivery and other issues, and the employees volunteered to work overtime”.***

Commentary from amfori BSCI audit MONITORING ID:23-0225281 Dec 2023xx<sup>18</sup>

We continue to work closely with our suppliers to address the issue of excessive working hours, primarily through encouraging improvements to production planning, along with better oversight of seasonal highs and lows, however many of our suppliers work for multiple retailers who have varying approaches to order placement and less awareness (or care) for the pressure this may place the supply chain under. Added to this is a more general lack of industry knowledge around supply chain risk, combined with a workforce that is eager to access higher penalty rates available for completing overtime.



Instead, a more wholistic approach to imbedding improvements in individual factory process, improved contingency planning and encouraging systemic cultural change around acceptable planned overtime in peak seasons (allowing better management of total hours of overtime completed in a given month) would seem to be the better way forward.

Internally, we have taken an approach of ensuring our production and buying teams are aware of any internal processes related to on time order placement and delivery schedules that may have an adverse impact on working hours and overtime outcomes in our manufacturing facilities.

A review of our critical path and timeline has taken place to ensure adequate product development lead-times with more robust check points to ensure we meet sign off deadlines supplied by our manufacturers to reduce any production “time squeeze” impacts.

This will continue to be a focus to allow us to better manage delivery schedules more broadly.

## Payment of Legislated social insurances and leave entitlements.

An issue which seems to be more prevalent primarily as this is picked up in the (now) more frequently used amfori BSCI Audit program is the underpayment or non-payment of legislated insurances to workers.

We have identified a steep rise in this which seems to be linked to poor payroll processes and (generally) poor management and governance issues rather than outright theft of wages from workers. We will continue to work closely with any facilities who have been found to be incorrectly paying insurances and/or leave entitlements to ensure wage remediation takes place.

## CASE STUDY

## Audits at work

*In one instance we identified several concerning issues related to general underpayment of wages, non-payment of overtime loading and no records of social insurances being paid to workers. Following extensive discussions and further investigation systemic issues were identified, that were unlikely to be remedied within a reasonable timeframe.*

*Whilst we did not believe these issues were symptomatic of actual wage theft, rather exceptionally poor management practices, a decision was made to cease working with this supplier via an agreed planned exit.*

## Payment of a Living/Fair Wage.

Whilst all audits reveal that workers are paid at or above award rates, there is opportunity as we move into the next reporting period to do a more robust assessment of wages in relation to Living and Fair Wages, under the Anker Methodology. This work is planned as part of our Sustainability framework and as such will form part of our broader approach to mitigating the risk of Modern Slavery.

## Textiles and Raw Material Supply chains

*“Australia is not only affected by modern slavery within its borders: as one of the world’s largest economies, Australia – like other G20 countries – is exposed to the risk of modern slavery through the products it imports. Nearly two-thirds of all forced labour cases are linked to global supply chains, with workers exploited across a wide range of sectors and at every stage of the supply chain.*

*Most forced labour occurs in the lowest tiers of supply chains; that is, in the extraction of raw materials and in production stages....”*

Raw material supply chains continue to be one of the highest risk areas identified across the apparel and footwear industry.

There was solid intent at the beginning of this reporting period to begin working with the product teams on improving transparency of our raw material supply chains however due to a number of factors this project has been delayed.

1. Prioritising Tier 1 non-finished goods suppliers (Local) to Code of Conduct.
2. Initial work on our sustainability framework was delayed, impacting availability of a cohesive textile sourcing framework.
3. Need to better understand current sourcing processes, our volumes and where we can achieve the most impact.
4. Key personnel changes across in our product teams, adding timeline pressures to BAU.

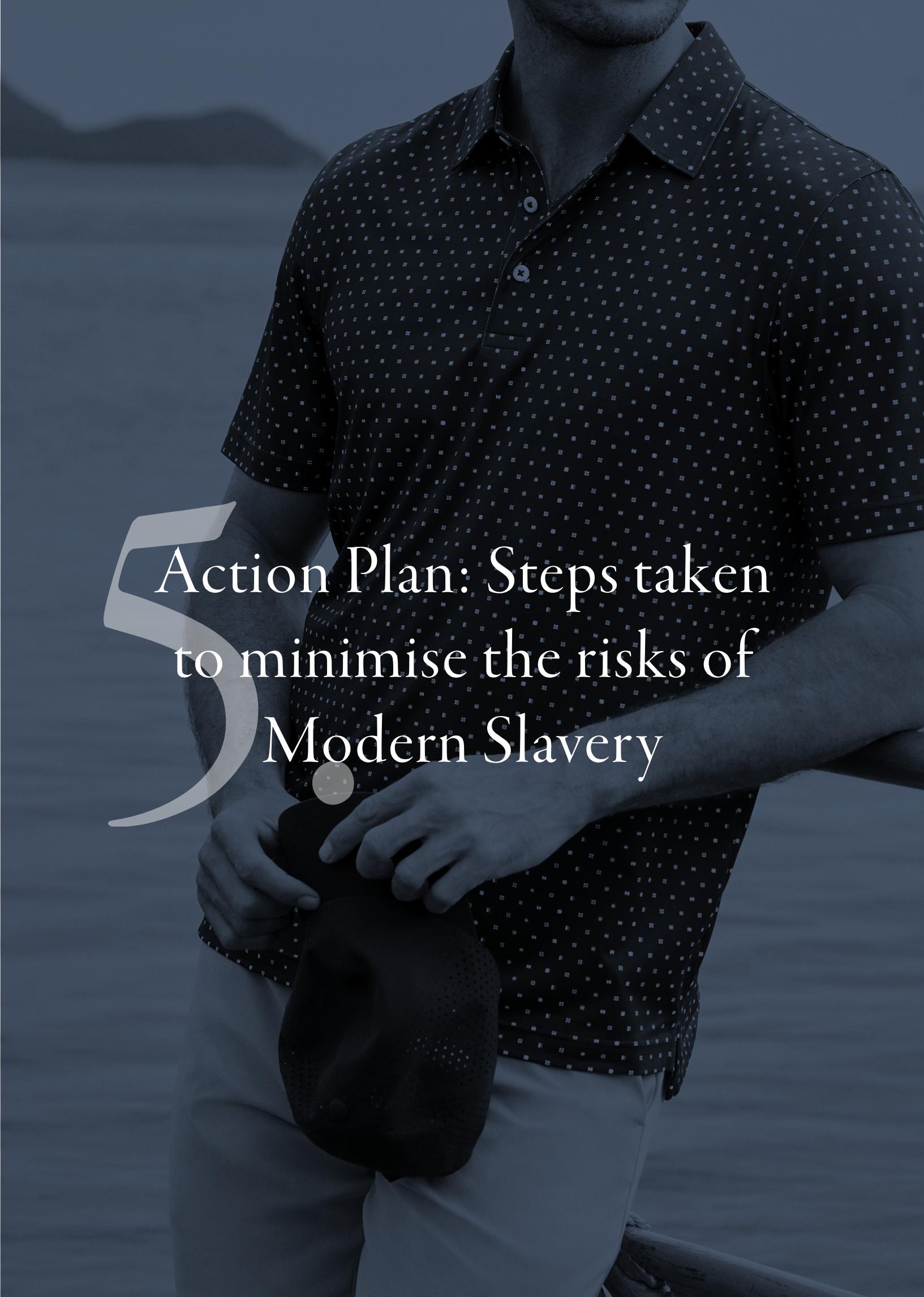
We acknowledge the ongoing risks in the procurement of raw materials, however, there has certainly been a greater understanding of these risks across the product teams through the roll out of our first modern slavery training module. This has led to improved awareness of the need for supply chain transparency and will support fundamental changes to how individuals approach textile and raw material sourcing.

We will continue to upskill and build capability within our product teams.

With an ongoing commitment to roll out Modern Slavery training further and involvement of team members across the business in sustainability project working groups we are seeing a further positive shift in both awareness and behaviours more broadly.

Our approach to raw material supply chain transparency has been incorporated within our Austin Group Sustainability framework within the Product Lifecycle Focus Area under objective 4.4 Raw Materials and Ethical Fibre Sourcing.





# Action Plan: Steps taken to minimise the risks of Modern Slavery



# Our Corporate Operations and Stores: Policy Controls

GAZMAN has a documented set of codes, policies, and protocols with which our people and suppliers are required to adhere.

These agreements, codes and policies operate across the business, including all owned and controlled entities. These policies aid in managing modern slavery and human rights risks in our supply chains and our business operations.

See Appendix for Table of Company policies<sup>22</sup>

## Modern Slavery Awareness Training (Online module 20 minutes)

This Modern Slavery course aims to raise awareness about modern slavery, educate viewers on its various forms and indicators, and motivate organisations and individuals to take action to combat it.

This course has been developed in partnership with global law firm Norton Rose Fulbright Australia.

- What is modern slavery?
- Types of modern slavery
- Causes of modern slavery
- Modern slavery in Australia
- The Modern Slavery Act 2018 (Cth Australia)

Once the course is completed, you will have learnt what modern slavery is and the indicators that it could be taking place, your legal and ethical responsibilities and what you can do as an individual to help eradicate it.

## Local Operations

We have used the past 12 months to focus on our local tier one operations, with a view to better understanding the businesses we transact with, through more open communication with our key suppliers.

This has included more regular contact between key individuals, with a focus on building cross functional relationships between Compliance and Sustainability teams. This has led to better conversations around how best to manage risks as well as provided mutual sharing of information and process.

Internally we have focussed with key teams and individuals on better understanding of how to identify risks of modern slavery across our business partners and greatly improved our vetting and onboarding process for new suppliers.

## Building and Shopfitting

We engage with a single supplier Southern Cross to provide all commercial building and shopfitting services across our network of stores. Their direct employees are covered under relevant Awards legislated in each state of Australia. They use a variety of subcontractors some of whom are small business owners employing their own teams, as well as sole operators. A flat hourly rate is agreed prior to any works being carried out, with all sub-contractors engaged under terms within a service agreement that is reviewed (by both parties) annually.

On occasion they may engage 3rd party labour hire companies to fulfill any immediate labour shortfall. Labour hire firms can provide skilled labour quickly. They do not employ anyone on sponsored visas or workers currently on the Pacific Australia Labour Mobility (PALM) scheme.

**International fixtures supply:**

*Southern Cross has undertaken stringent due diligence when vetting the chosen 3rd party suppliers through a Workplace Conditions Assessment Report completed by an external auditor in China. Southern Cross reviewed this report which provided in-depth and impartial analysis of the chosen 3rd Party and reviewed areas within the business operations such as wages, workplace conditions, staff morale and other large-scale clients they service which further assisted our decision-making process.*

Southern Cross have indicated that they are currently working on Modern Slavery Reporting which is being reviewed by the Board. They have indicated they are happy to share this once it has been signed off.

We acknowledge the widespread use of subcontracting and 3rd party labour hire firms across the building industry and understand there is certainly a heightened risk of Modern Slavery occurring; however, we have a reasonably comfortable level of visibility with this supplier and their local operations.

We will continue to work closely with them on transparency of their offshore supply chain and raw material procurement processes.



## Waste removal, Recycling and Cleaners

### **Cleaners & Cleaning Contractors:**

We utilise 3 primary cleaning services across our corporate head office and stores, including general Cleaning, Window Cleaning and waste removal services.

### **General Property Cleaning Services:**

Are provided by two operators who subcontract to individual cleaners holding their own ABN's.

Services are provided for our support office and one store location, using subcontracted labour. We have worked closely with our cleaners in the past 12 months to gain a better understanding of their business and encourage open dialogue, we believe there is a minimal risk of Modern Slavery occurring within their operations.

### **Window Cleaning Services:**

We use the services of a nationwide provider with no direct employees, who subcontracts to over 90 independent owner/operators across Australia and New Zealand, as well as two independently owned contractors who have between 1-5 employees each. Contractors' complete works and submit invoices for payment to the Provider who then adds a further premium before invoicing the Austin Group. Given the nature of this business model, we feel there is a low to very low risk of modern slavery occurring within the window cleaning supply chain.

### **Waste removal services:**

As part of our sustainability framework, we have recently started to work more closely with our primary waste contractor. They are also required to complete Modern Slavery reporting under Australian legislation and so we believe based on conversations and joint discussion that there is a minimal risk of Modern Slavery occurring in their operations.

# Warehousing and Logistics

**Warehousing:**

We continued use a third-party logistics (3PL) provider for the better part of this reporting period, they continued to manage the receipt of stock and pick & pack to stores on our behalf. This relationship has been managed via the GM Inventory and Planning who has worked closely with the provider to ensure all staff are trained to a consistent standard to supply the service level required. The facility is fully unionised, and award rates are paid to all workers. We have 1-2 staff members based in the warehouse regularly who also provide oversight of workers conditions.

From early June 2024 we began the transition of all warehousing services to a company managed Distribution Centre located in Truganina Melbourne. The final cut over was completed in July 2024.

The build began in late 2023 on a new site in Melbourne’s West and came online in Late June with the employment of 8 full time staff. We worked with two primary labour hire providers to employ upwards of 15 labour hire contractors to fulfil the pick and pack requirements.

All contracts are reviewed to ensure labour hire contractors are receiving the correct Award rates under the Storage Service and Wholesale Awards (MA000084) in all cases contractors were paid above award rates. An update to award rates was received on the 1st of July 2024 (annually) this was immediately passed on to all relevant employees.

**Add warehouse image**

A dedicated HR recruitment Manager reporting to the GM People and Culture is located at our warehouse and has full oversight of all employees and manages the relationship with our selected labour hire firms, along with ensuring the working conditions, OH&S requirements, breaks etc are all observed in line with Award requirements, All new Labour Hire contractors receive a face to face one on one induction with our onsite HR Manager before commencing shifts.

**Reticketing, Repairs, Laundry:**

On occasion we may require the services of a third-party provider for re-ticketing of goods or minor repair and laundering work. Generally, they are small businesses or sole traders that are engaged directly by the Sourcing and Compliance team and are approved by the GM Inventory and Planning. We believe these to be at low risk of modern slavery.

## CASE STUDY

## Onshore Repairs

*We identified critical product failure with a large volume belt line, involving over 14,000 units post-delivery to our Melbourne based warehouse.*

*Rather than writing off the unwearable stock and [potentially] sending these to landfill, we instead worked with the China based manufacturer, and the New Zealand agent to arrange to repair the faulty belts. With return shipment of the much-needed stock not an option it was decided to investigate completing the repairs here in Australia.*

*After investigating using a local company to perform the required repairs it became clear the expertise required to handle this volume was not available onshore.*

*On further discussion with the manufacturer an option was put forward for them to provide their workers to complete the repairs in a facility located here in Melbourne where the stock was.*

*The required machinery, an industrial sewing machine was imported along with 2 skilled workers, and a suitable location provided by our 3rd party relabelling company in their warehouse.*

*The NZ Agent working closely with our Sourcing and Compliance team, established the correct process to apply for temporary Visa's for the skilled workers, and after reviewing their existing employment contracts, ensured they would be paid appropriately for their time working in Australia. The NZ agent arranged appropriate housing close to the warehouse and ensured they were comfortable, and that all meals, travel and incidental costs were covered.*

*The NZ agent and our Central Sourcing Manager met on site to oversee the general workplace setup, ensure appropriate lighting, working conditions and the machinery was set up in line with Australian OH&S requirements. The workers completed an onsite induction, ensuring they were aware of all requisite safety requirements and that these were acceptable to them.*

*On completion of the repairs the 2 staff members and the equipment were returned to China. The repaired belts were then able to be sold across the stores network, eliminating the need to send these items to landfill.*



## Logistics

Our freight transportation is contracted to our primary freight provider Border Express. Their freight warehousing and logistics network operates across 16 metropolitan and regional locations in Australia, which they fully own and operate.

In 2021 partnered with Deloitte, they completed a detailed supply chain risk assessment that found a low likelihood of modern slavery occurring in their local operations. This did identify a higher risk in the tier two supply chain via procurement of motor vehicles and parts, machinery and equipment. Steps have been taken since to manage and mitigate any risks associated with procurement, they have shared with us their internal auditing and assessment process along with detailed Supplier Corrective Action Plans.

They use 3rd party labour hire companies to provide additional labour as required,

“.... [we] have a select panel of providers for the supply of labour services. All panel members are put through a rigorous process and Modern Slavery compliance forms part of this selection criteria. Our reliance on this type of service provider has reduced significantly post Covid.”

Based on our ongoing conversations with this supplier and their willingness to share relevant data, we think there is a low risk of modern slavery with this supplier.

Their current Modern Slavery statement was submitted on September 30th, 2024.

## Security Providers

Providing alarm installation and monitoring services to us we work with a nationwide provider Securecorp for all security services.

Securecorp are required to lodge their own Modern Slavery report annually and have shared their internal Employee and contractor training and onboarding process with us. They are considered at a relatively low risk for modern slavery given their internal processes, governance, and oversight.

# Offshore Operations - Our Finished Goods Supply Chain

## Modern Slavery Training

A module covering Modern Slavery awareness was added to the online training system, in Feb/March 2024. This module has been rolled out to all team members working directly with product including

- Senior Executive Team
- Production and Design
- Inventory and Planning

## Supplier Documentation

Agreement	Description
Supplier Code of Conduct	Outlines supplier requirements to engage in production for GAZMAN. This is based on the ETI base code and the ILO fundamental conventions. This is required to include legal names and addresses of the parent company and/or agent along with all facilities providing finished goods to GAZMAN. An accurate executed document is kept on file and recorded in our supplier Database.
Raw Material Sourcing Policy	Criteria for sourcing of all textiles and fibres and includes our cotton sourcing policy and animal welfare policy.
Manufacturers /Product Restricted Substances List	Standards that must be adhered to regarding residual chemicals in both fabric and finished goods. This is based on the REACH EU standards and incorporates the ZDHC approach to safe discharge of chemicals. (Guidelines for the Safe handling, storage, use and discharge of any chemicals used in processing our goods are outlined within the Supplier Code of Conduct).

## Supplier Management Policies

Agreement	Description
Central Supplier Onboarding	All new suppliers now pass through a formal onboarding process whereby a supplier form is completed outlining ownership and relationships to Agents and Export Companies. A valid facility audit is also fully reviewed by the compliance and QA team.
3rd Party Audit Cycle	Finished goods factory audits are fully managed via the QA team reporting through to the head of Sourcing and Compliance, with oversight by the CEO.
Supplier Database	Managed via the Compliance team this is an accurate recording of all key supplier data points.
Seasonal Supplier Review	Managed via the Sourcing and Compliance team supplier reviews are held twice yearly with input from production, product and vendors.

## Expansion of Sourcing and Compliance Team

Following a review of internal structure and reporting, the Sourcing and Compliance team will now report through to Operations (COO), providing improved oversight of supplier engagement and compliance. Additionally, the team will be expanded to include a dedicated Compliance Manager, to ensure a continuous focus on improving supplier performance across all areas of social and ethical compliance. A dedicated Compliance manager will allow for better outcomes when reviewing supplier Audits and addressing issues via the CAPS process.

We continue with our ongoing supplier interactions via telephone calls and video conferencing team to team and are confident with increased site visits over the past 12 months that we have been able to successfully identify and intervene in situations involving unauthorised sub-contracting of bulk production. This has shown our current supplier on boarding and auditing processes to be effective in identifying supplier non-compliance and enables us to constructively work with individual suppliers to correct breeches.



## Sourcing and Compliance Consultant

We continue to engage with an external consultant across two key areas, compliance and sustainability. As we develop the framework for our corporate sustainability program, we will continue to develop our Social Compliance processes and standards as well as complete a review of our Corporate Governance systems within the next 6 months. The use of a consultant allows our QA, Compliance and Sourcing teams to focus on business as usual with the roll out of new systems and updates incorporated as these are approved at executive level.

## Vendor Risk Assessment Procedure

Supplier compliance issues are raised via the Sourcing and Compliance team and escalated to the COO/ CEO as required.

## Finished Goods Supplier Issues: (outline of current process)

- Identification of a product issue/concern or possible compliance breach.
- Elevated via QA Manager or Production Coordinator to the Group Production and Sourcing Manager
- Initial team discussion to assess whether this is a one-off situation or endemic of a larger issue.
- Review compliance documentation and audit results to complete risk assessment of the supplier in question.
- Production and Sourcing team discuss next steps regarding supplier communication.
- Allocate this to a team member to follow up and report back.

- Review response from supplier. Issue CAPS or elevate to COO/CEO
- Offer supplier opportunity to improve, place supplier on medium/high risk profile and closely monitor for 3-6 months (this includes at least one face to face factory visit by Sourcing and Compliance team) to gauge performance, agree improvements or to sign off on CAPS.
- Re assess performance and risk considering improvements.
- Move forward with supplier or plan exit.

## CASE STUDY

## The importance of in-person factory visits

*We are actively working to ensure that there is transparency across our supply chain, through regular visits to our manufacturing facilities.*

*Over a period of 6 months several concerns were raised by our product and production teams around the performance of one of our suppliers. We had met with the local agent, then the factory owners when they were in Melbourne, and an independent audit was requested to better understand what may be happening at the facility.*

*Subsequently, during an onsite visit to the manufacturing facility located in China by our Group Production and Sourcing Manager it became clear that there were signs of [suspected] outsourcing of garments.*

*During the visit it was observed that cut panels [of our product] was being loaded into bags, for shipment via lorry to a separate location, not declared as being a manufacturing facility on any audits for this supplier. Additionally, it was noted that the factory seemed to have a greatly reduced number of active sewing machines and much less staff onsite than declared in previous audit documentation.*

*On further investigation with staff and the factory owners it became clear that garments were being subcontracted to other facilities for sewing and finishing, a clear breach of our Supplier Code of Conduct and a potential explanation for the reported lapse in quality, and consistency with this supplier.*

*Our concerns were discussed with the factory owners, and the local agent over several meetings. Unable to reach agreement that the sub-contracting practices would cease we have subsequently implemented a planned exit from this facility and the local agent.*

## Assessment of the Effectiveness to address risks of Modern Slavery

We have used this past 12 months since our last Modern Slavery Report to review our internal procurement process across our local and offshore suppliers. This review has identified areas where we can certainly make improvements in how we select and engage with suppliers as well as highlighted the very real need for better education around Modern Slavery and its inherent risks.

It has provided an opportunity to engage more fully with our primary local suppliers on the risks of modern slavery and offered opportunities to better understand the different approaches to risk mitigation undertaken in different industries. The engagement process has pleasingly provided few surprises, with most suppliers achieving a relatively low risk profile once investigations were completed.

We have undoubtedly had challenges with our Offshore supply chain. There continues to be a lack of understanding around the importance of supply chain transparency, and the inherent risks in unauthorised sub-contracting. Some partners continue to move our production at peak times without advising us, which, given our very clear Code of Conduct and ongoing supplier education, creates a real sense of frustration within the sourcing and compliance teams.

Added to this many systemic, culturally imbedded practices (such as excessive overtime) that have long been the norm in the apparel manufacturing industry, that are simply no longer acceptable by today's standards, and we understand this is an exercise in incremental improvements rather than overnight perfection.



Whilst progress has been slow at times, we are making headway.

Supplier Compliance is now a priority across all product teams, with clear supplier management processes in place and working effectively. This is evidenced by the increase in issues picked up or raised before we engage with an offshore supplier, in most cases allowing a thorough risk assessment to take place, prior to our code of conduct and associated documentation being sent to new suppliers, and engagement with the broader product teams.

From a day-to-day business perspective there is a much broader awareness of modern slavery risks from individual team members, often elevating any concerns much earlier in the supplier engagement process, allowing a more thorough review of suppliers or products to take place.

Benchmarking of supplier performance continues to be a regular part of our seasonal review process, and we are making ongoing improvements to our handling of supplier compliance data, and the analysis of this data to better predict where we may have issues.

Looking forward we are moving towards a digital solution for more effective management of the auditing process and supplier data more generally.



A man with a beard and short dark hair, wearing a dark crewneck sweater and light-colored trousers, stands in front of a mountain range. He is holding a dark jacket in his left hand and wearing a watch. The image is in a dark, monochromatic style with a blue-grey tint.

# 6. Looking forward and Next Steps



Our focus as we move into this next reporting period is to ensure our onshore supply chain is clearly identified and to complete a thorough risk assessment across all industries. We will be implementing additional training for our internal teams and increasing awareness of modern slavery and encouraging early notification to senior team members of any likely risks across onshore and offshore suppliers.

As we progress with our Sustainability pillars, we expect to see improved oversight around supplier onboarding which will be better supported through a more robust corporate governance approach to policies and process.

## Sustainability Framework

Finalisation of our sustainability framework took place in this period with several objectives identified within the Social Pillar, under Supply Chain Management and Standards.

- 4.1 Supplier Social compliance and Supplier Code of Conduct
- 4.2 Supply Chain Transparency
- 4.3 Modern Slavery reporting

This indicates a further commitment to eliminating the risks associated with Modern Slavery and ensures a whole business approach to this as we roll out projects across the business.

## Training

Training and education of our internal teams remains at the centre of our management of modern slavery risks across the supply chain. With the Modern Slavery online training now rolled out across the business our focus will move to more detailed training of specific teams and our store managers.

In the coming year, we will be rolling out the following training modules:

- Responsible Purchasing Practices
- Ethical Sourcing of Textiles
- Supplier Onboarding Training (local and offshore)

## Local Suppliers

We will undertake a review of our local supplier base and have already begun to roll out our Supplier Code of Conduct to our top twenty onshore suppliers of goods and services with a view to have 40% of major local suppliers (transacting more than AUD\$1000.00 annually), signed before the end of the next reporting period, with a risk assessment of all major industries documented.

## Improved Management of Key Supplier Data

We will continue to refine and develop our local onboarding and supplier management process to ensure we are identifying suppliers that are non-compliant, and we are preparing a review of available off the shelf data management systems in 2025 to allow us to digitise our supplier data thus ensuring improved management of supplier transparency which will aid in faster identification of modern slavery risks in our supply chain.

Locally our finance system is being upgraded to better manage supplier data and payments and we are reviewing options for a finished goods Supplier database to automate the annual supplier auditing process.

## Corporate Structure Reviewed

A review of our corporate structure was completed earlier this year which will provide more effective oversight of the Sourcing and Compliance area via the Chief Operating Officer. This should allow for better operational business synergies.

## Offshore Tier Two Supplier Transparency

Work on our tier two raw material suppliers is planned to begin in early 2025. This has been incorporated into our Sustainability framework under The Environment Pillar, Pillar 4 Product Lifecycle 4.4 Raw Materials and Ethical Fibre Sourcing.

This has allowed us to better understand our aims particularly regarding implementation of a preferred fibre list and better understand what is then required to enable supply chain transparency. Once again, a general increase in knowledge across the business has meant that product teams are asking more effective questions of suppliers and in some cases (merino wool for example) we have already established a good level of transparency from finished goods manufacturer through to the primary spinning mill with the fibre supply chain mapped back to the Australian Wool Exchange (AWEX) via supporting documentation.



A full-page photograph of a man in a dark cap and light jacket, standing outdoors. The word "Appendix" is overlaid in the center in a white serif font.

# Appendix

# Definitions

**Tier One Suppliers:** Manufacturers making finished goods to be shipped directly to the Brand.

**Tier Two Suppliers:** Suppliers who sell or supply raw materials for manufacturing or components used in the manufacture of apparel, accessories or footwear, to our Tier One manufacturers. This includes textile suppliers, fabric mills, yarn spinners, label suppliers, zipper and button manufacturers.

# Source Reference Material

**Anti-Slavery Australia:** [www.antislavery.org.au](http://www.antislavery.org.au)

**Baptist World Aid:** [www.baptistworldaid.org.au/resources/ethical-fashion-guide/](http://www.baptistworldaid.org.au/resources/ethical-fashion-guide/)

Ethical Fashion Report 2024

**WalkFree:** [www.walkfree.org](http://www.walkfree.org) **Global Slavery Index 2023**

Global Slavery Index

Spotlight -Stitched with Slavery in the Seams

Beyond Compliance in the Garment Industry

<sup>1</sup> Figure, ARDT Corporate structure 1st July 2024

<sup>2</sup> Table ARDT Employee details at 1st July 2024. The Austin Group operated Distribution Centre came online in Early June 2024, although recruitment and resourcing for this began much earlier in this reporting period. For this reason, these employees have been included in this year’s Modern Slavery Report.

<sup>3</sup> Figure provided by Finance, based on all entities we have transacted in the reporting period.

<sup>4</sup> Figure GazMan local suppliers of goods and services by category.

<sup>5</sup> Global Slavery Index Country Studies: Australia, Refer Appendix  
<https://www.walkfree.org/global-slavery-index/country-studies/australia/>

<sup>6</sup> Data on suppliers used in this reporting period Based on supplier data extracted from AP21. Includes goods purchased for Summer 23 in store and Winter 24 in store.

<sup>7</sup> Figure: Map showing GazMan Offshore Finished Goods Manufacturing Locations (Tier one suppliers)

<sup>9</sup> Table 3.2 Walk Free Global Slavery Index Prevalence, Vulnerability and Government response to Modern Slavery by Country. <https://www.walkfree.org/global-slavery-index/map/>

<sup>10</sup> Comparison Table: Walk Free Global Slavery Index by GazMan Country of Manufacture.

<sup>11</sup> (GSI Importing Risk: The Value of Products at Risk of Forced Labour, Global Slavery Index 2023 pp147).  
<https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

<sup>12</sup> Tenure of Finished Goods suppliers by category

<sup>13</sup> Walk Free Global Slavery Index<https://www.walkfree.org/global-slavery-index>

<sup>14</sup> Local Supplier Risk assessment by industry type. Industry risk level identified via Modern Slavery in Australia – Walk Free, Global Slavery Index. <https://www.walkfree.org/global-slavery-index/country-studies/australia/>

<sup>15</sup> Global Slavery Index 2023 Page 3 <https://www.walkfree.org/global-slavery-index/>

<sup>17</sup> Table, Risk Assessment Matrix guide. Developed to rank the probability of an individual risk area occurring.

18	<p>Table Supplier Code of Conduct - Country Risk Assessment.</p> <p>Freedom of Association and Collective Bargaining^ as this may be restricted under law in some countries or territories, the ratings Low^/ Medium^ reflect this as this may hamper the independent function of Trade Unions.</p> <p>Environmental Responsibility a concern^^ all suppliers MUST meet the requirements for environmental responsibility under local legislation operating in their territories.</p> <p>Medium* Primarily due to internationally identified risk of Uyghur labour being used in Xinjiang region of China potentially impacting cotton supply chains.</p> <p>Low** minimal risk as we are generally not utilising heavy machinery in our production processes. Most breaches identified through regular auditing cycle tend to be sewing machine guards not being in place, or relatively minor breeches of occupational safety such as hearing tests not completed on entry/exit of employment.</p> <p>Medium*** This identified risk relates specifically to the dyeing of leather in India and manufacture of leather related footwear and apparel products.</p> <p>Use of Hazardous Chemical in Supply Chain^^^ given the type of products we are manufacturing, (Apparel, Accessories and Footwear) the risk of hazardous Chemicals being used is minimal. Therefore, the risk assessment is based on where we are manufacturing goods only, and there is no inhouse dyeing, and minimal fabric finishing is required.</p>
19	<p>Commentary from amfori BSCI audit MONITORING ID: 23-0225281 Dec 2023</p>
20	<p>Based on data supplied via Factory Auditing process</p>
20	<p>International Labour Organization, Walk Free &amp; International Organization for Migration 2022, Global Estimates of Modern Slavery: Forced Labour and Forced Marriage. Available from: <a href="https://cdn.walkfree.org/content/uploads/2022/09/12142341/GEMS-2022_Report_EN_V8.pdf">https://cdn.walkfree.org/content/uploads/2022/09/12142341/GEMS-2022_Report_EN_V8.pdf</a>. [17 March 2023].</p>



22 Table 2 ARDT Company Policies

Agreement or Policy	Description
Employment Agreement	The employment agreement between Austin Employment Trust and each employee is a formal document that clearly outlines each party’s responsibilities including in regard to adherence to laws, professional conduct and policies and procedures.
Code of Professional Conduct*	Aims to promote conducting our business according to the highest standards of honesty, integrity, respect, and fairness when dealing with our customers, suppliers, and fellow employees. The code of professional conduct policy has been documented to ensure that practices are standardised and made consistent throughout our organisation. They have also been developed to ensure high standards of behaviour and ethical conduct expected of employees
Harassment, Bullying and Discrimination Policy	Promotes a safe work environment free from harassment, bullying and unlawful discrimination thereby laying the foundation for a productive and positive workplace environment. This policy outlines the relevant definitions, underpinning principles, and the organisation’s commitment to eliminating harassment, bullying and unlawful discrimination and provides guidelines on how to access support and how to resolve a complaint processes.
Grievance & Dispute Resolution Policy	Aims to promote a fair and reasonable work environment in which employees can resolve grievances or disputes within a fair and balanced dispute resolution process.

23 Response from Border Express October 2024

