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NEW ZEALAND
SINCE 1934

Blundstone Group Modern Slavery Statement

Financial Year ending 30 June 2022

This statement complies with the Modern Slavery Act 2018 (Cth) detailing the actions of the Blundstone Group to assess and address modern slavery risks in its operations and value chain for the financial year ending 30 June 2022.

The Blundstone Group is a private family-owned and operated footwear company which designs, manufactures, and distributes the internationally renowned Blundstone brand and New Zealand-focused work and safety brand, John Bull.

We retain our family values and are committed to always seeking to do the right thing, to behave ethically, act with integrity, and to minimise our impact on people and the environment. We are now in our seventh year of developing and implementing a program to assess and address our value chain sustainability and risks, including modern slavery.

Since 2015 we have undertaken steps to monitor and evaluate practices throughout our value chain. These steps include partner self-assessments, Blundstone audits and third-party audits for key manufacturing partners.

This program was originally called the Sustainable Purchasing Program, then the Supplier Partnership Program (SPP), and was formalised into a policy in 2017 and supporting procedure in 2020.

In 2021, the SPP was incorporated into Every Step Better (ESB), a broader business-wide program. ESB formalises our existing sustainability processes (including SPP), provides a management structure for ongoing monitoring and improvement and more generally encapsulates our investment and commitment in this space.

The ESB program continues to focus on ensuring compliance with all relevant international regulations but also aims to improve traceability of every aspect of our supply, production and distribution processes.

Reporting entities

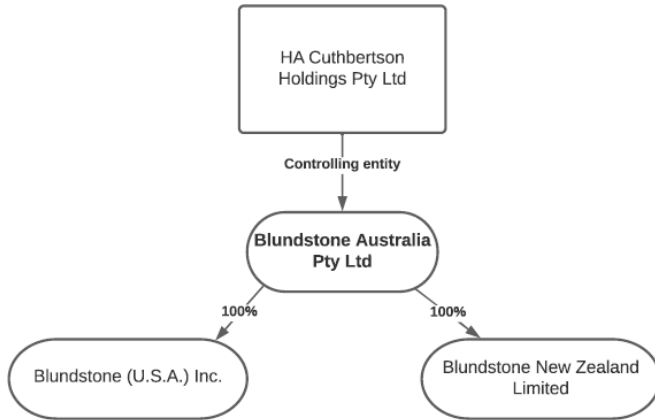
This Modern Slavery Statement is a joint statement on behalf of:

- HA Cuthbertson Holdings Pty Ltd (ACN 009 493 350)
- Blundstone Australia Pty Ltd (ACN 009 475 852),

and also reports on the activities of the subsidiaries Blundstone New Zealand Limited (Company Number 628290) and Blundstone (U.S.A.) Inc.

In this statement, unless expressly mentioned otherwise, references to **the Blundstone Group**, **Blundstone**, **we**, **us** and **our**, each refer to HA Cuthbertson Holdings Pty Ltd, Blundstone Australia Pty Ltd and our subsidiaries.

Group Structure



Organisational structure, operations, and value chain

The Blundstone Group has its global headquarters at 88 Gormanston Road, Moonah, Tasmania, which is also the registered address for both HA Cuthbertson Holdings Pty Ltd and Blundstone Australia Pty Ltd.

Our headquarters are home to group management, administration, sales, marketing, brand, communications, quality management, customer services, logistics, and design. We have sales representatives based across Australia and New Zealand. Our New Zealand office is in Auckland, housing customer services and administration. We have distribution centres in Derrimut, Victoria, and Auckland, New Zealand. In the USA, Blundstone is represented by a long-term partner who provides warehousing and sales services via a distribution centre in New Jersey.

As at 30 June 2022, we employed 121 people throughout Australia and New Zealand. The Blundstone Group operates under the same corporate governance and risk management framework which integrates company values, policies, and procedures and a certified ISO Quality Management System. The Blundstone leadership team works across the Blundstone entities.

We hold more than 200 registered trademarks (or pending registration) in approximately 80 countries and are represented by two brands, Blundstone, which is sold globally, and John Bull which is sold primarily in New Zealand.

We design, distribute and retail leisure and safety footwear, gumboots, and accessories. We currently sell into more than 70 countries using both our own distribution network and via a network of distribution partners engaged on long-term contracts, many of which have been distributing for Blundstone for decades.

During 2021-22 we sold products directly to consumers online in three markets: Australia, New Zealand and the USA. Many of our distributors also sell Blundstone products online.

Excluding gumboots, our leisure and safety footwear is manufactured by long-term manufacturing partners in Vietnam, India, Mexico, Thailand and China. Additionally, we have over 300 suppliers of raw material inputs in various countries around the world supporting the manufacturing programs for Blundstone and its footwear manufacturing partners. Blundstone’s gumboots are designed, manufactured, and distributed by Blundstone with manufacturing occurring at our Moonah factory, which is located at our Tasmanian headquarters. The major components are sourced from Australia, Italy, Brazil and China.

In addition to Blundstone’s core footwear business (which includes ancillaries and accessories), the Blundstone Group has a diversified investment portfolio across various asset classes including equities, property and fixed income which is both internally and externally managed.

Risks

The Blundstone Group has identified that there are modern slavery and human trafficking risks throughout the value chain, with the most likely exposure being in its sourcing of finished footwear and associated raw materials, accessories and ancillaries.

Blundstone has a strong focus on *'doing the right thing'* and accordingly has a well-established and dedicated program (ESB) that encapsulates our commitments across three key pillars: People, Planet and Product. Our value chain monitoring and assessment program sits under the 'People' pillar and has primarily focused to date on the most significant suppliers in the value chain. The program conducts initial supplier assessment at selection stage, then undertakes ongoing auditing, risk assessment and management. To date, Blundstone has not found any serious or widespread modern slavery practices in its mapped value chain. We have however, identified a number of low-level areas for improvement in some of our Tier 2 suppliers' practices, including inadequate record-keeping and discrepancies in the payment of allowances. Corrective actions have been identified and have either been implemented or are in progress and subject to ongoing monitoring.

Actions taken to assess and address the risks, including due diligence and remediation processes

Blundstone has well-established long-term supply relationships allowing us to effectively engage, assess and address value chain risks, including establishing continuous improvement measures with suppliers.

As a direct result of the well-established relationships with suppliers, we have a higher level of visibility into and control over our footwear manufacturers and critical component suppliers. We have engaged at least one in-house permanent independent contractor quality inspector on site at each overseas footwear manufacturing partner. The quality inspectors are required to monitor and report on manufacturing quality and, in addition to their core roles, they are expected to observe and report any infringements of the ESB Code of Conduct, including social and labour infringements, to Blundstone.

The ESB program is the cornerstone of our efforts in managing a responsible value chain free from modern slavery, monitoring identified risks, and building continuous improvement. The program has a dedicated accreditations team who is responsible for the implementation and maintenance of the program to assess and address risk in the value chain. The accreditation team reports to the Global Supply Chain Manager and works closely with our suppliers and all internal stakeholders in driving compliance and is supported by a broader team of senior management which includes logistics, brand management, technical, legal, sales and quality. Operationally, we have established procedures regarding how purchasing, onboarding, and risk management are carried out.

Product and service suppliers in the Blundstone value chain are categorised into appropriate and defined tier levels, based on an assessment of risk profile that subsequently dictates the frequency of monitoring and assessment.

- **Tier 1** suppliers are those value chain partners actively manufacturing Blundstone and John Bull branded footwear, and branded ancillaries or marketing materials, where the commercial relationship is direct between Blundstone and the supplier. This includes the Blundstone Overseas Distribution Partners and their suppliers of branded items and service providers that may impact the Blundstone value chain. Our internally managed gumboot factory in Australia is classified as a Tier 1 supplier.

Tier 1 overseas footwear manufacturing partners are required to complete Self-Assessment Audits (SA) and undergo regular on-site verification audits (VA) conducted either by Blundstone or our third-party assessors. These audits are carried out at Blundstone's instruction annually for at least three consecutive years and every second year thereafter as a minimum. The VA process focuses on modern slavery risks, including an assessment of social and labour risks, worker protection, environmental policies, working hours, and the presence of child labour.

Blundstone's gumboot factory is assessed through a self-assessment questionnaire combined with the Blundstone Internal Audit program every two years.

Partners manufacturing Blundstone and John Bull items other than footwear, where the commercial relationship is directly managed between Blundstone and the supplier, are required to complete the Blundstone SA questionnaire process every two years and may be subject to an on-site VA conducted at their premises by Blundstone or our third-party audit team, depending on their assessed risk.

The frequency of conducting VAs is dependent on the achievement of appropriate SA compliance scores, the need for any corrective and/or preventative actions (CAPAs) identified through the SA system and our 'ESB Review' risk assessment process.

- **Tier 2** suppliers are those businesses that manufacture goods or provide services that input into our value chain, including freight forwarders.

Tier 2 suppliers of manufacturing components and material inputs are required to complete the SA questionnaire process at least once every two years. Where the Tier 2 supplier is assessed as being high risk by the accreditation team they may be subject to an on-site VA.

All SA questionnaires and VAs are reviewed by Blundstone's accreditation team. Additional information is requested from suppliers if required and suppliers are given a timeline for such information to be addressed (depending on the severity). Where appropriate, CAPAs are issued and must be progressed to completion in a timely manner. If a supplier does not participate in the assessment process we may suspend or terminate our agreement with the supplier.

As outlined above, in 2021 the previous SPP program was incorporated into the ESB program. At this point a number of key steps were undertaken to further strengthen the program and create greater awareness of the program with both business stakeholders and broader consumer facing communities. These steps are outlined below.

Our investment portfolio is continuously monitored against environmental, social and governance (ESG) factors, including modern slavery risks, with regular reporting provided by Blundstone's investment adviser.

Contract and additional documentation

The ESB program has been formally integrated into distribution agreements with obligations outlined to manage ongoing adherence to ESB requirements.

Our Code of Conduct has become a key part of all contracts moving forward and is integrated into existing value chain relationship structures. The Code of Conduct sets out our minimum standards and expectations that we and our value chain partners are working to meet. We seek to work with businesses that respect our Code of Conduct and will partner with us to ensure the welfare of employees, the responsible and efficient use of resources and the minimisation of our footprint on the planet. As part of ESB, our Code of Conduct will guide all areas of our business and we expect all partners to respect and follow our lead.

To further support the ESB program and encourage disclosure of misconduct we maintain a group-wide Whistleblower Policy and Procedure allowing anyone in the value chain to raise grievances and report concerns in a protected way. To date, there have been no substantiated disclosures relating to modern slavery or similar issues.

Verification and Audit Structure

The existing assessment and audit structure continued to be implemented within existing value chain structures and was also implemented further into the overall value chain.

In 2021-22:

- We expanded the scope of our assessment program to include additional manufacturing sites, some Tier 1 suppliers of branded items and a number of upstream Tier 2 suppliers, further building on the significant increase in active sites that was achieved in 2020-21.

Our program now includes 390 sites, with the vast majority having completed self-assessments which have been reviewed, assessed, and confirmed by Blundstone as conforming to the program requirements and relevant international regulations.

- Work has continued to identify and implement SAs on all distributor managed key third-party suppliers and audits are already underway with providers of branded materials in each market.
- Our Blundstone on-site third-party contractors continue to maintain regular audits and checks of our key manufacturing partner sites, with this program extending to include suppliers further up our value chain.
- Our on-site audit program has continued to be implemented, with impacts from travel and visitor restrictions easing throughout 2021-22.
- Third-party verification audits were completed and signed off at all five international Tier 1 manufacturing sites in 2021-22, and return visits undertaken for a number of those sites with the remainder planned during 2022-23.

Improved Communications

A suite of communication assets has been developed in order to provide:

1. Branded documentation to third parties such as customers, who want to ensure they align and promote products that are thoughtfully made; and
2. Consumers with the opportunity to read and understand our values and management of our value chain.

This information is now publicly available on our Australian, New Zealand and United States websites. Information is being progressively rolled out across other markets as our digital footprint grows in line with our distribution.

Assessment of effectiveness of our actions to identify and address modern slavery

We evaluate the effectiveness of our work through:

- Compliance monitoring: we regularly review the self-assessment audits, and on-site verification audits, combined with site visits to maintain tracking of all related assessment findings and resolutions.
- Assessing feedback: we listen to feedback from our stakeholders and value chain partners and continually evaluate and improve our approach to addressing value chain issues.

Our future goals

We are committed to continuous improvement in assessing and addressing modern slavery risks in our business, particularly in the high-risk areas of the value chain. The goals set for 2022-23 include:

- Development and implementation of an Investment Policy which includes due diligence and assessment for modern slavery risks.
- Further refinement of the ESG reporting and assessment process as it is applied to the investment portfolio, including development of guidelines for investment decision makers (internal and external).
- Refinement of our anti-exploitation policies, aligned and integrated with our broader ESG program.
- Continuing to extend our program of third-party verification audits.
- Ongoing and comprehensive identification of distributor-managed key third-party suppliers and their inclusion and implementation of self-assessments.
- Establishment of an internal ESG team to oversee a Blundstone responsible business (ESG) strategy.
- Undertaking a formalised assessment of our ESB program against established ESG frameworks and development of a target led approach to key areas of the ESB program.

Consultation and approval

This statement has been prepared in consultation with and includes input from the Blundstone leadership team and management responsible for overseeing relevant functions within the Blundstone Group.

This Modern Slavery Statement was endorsed by the Blundstone leadership team and approved by the Board of HA Cuthbertson Holdings Pty Ltd on 9 December 2022.



Stephen Gunn

Chair

HA Cuthbertson Holding Pty Ltd.