


RODD & GUNN

CANADIAN MODERN SLAVERY STATEMENT FY23

*Fighting Against Forced Labour and Child Labour in Supply Chains
Act S.C. 2023, c 9 (“the Act”).*

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RODD & GUNN

INTRODUCTION

This report outlines the actions Rodd & Gunn are committed to taking to help identify, manage, and remedy modern slavery, including forced labour and child labour, in our supply chain and business operations.

This Report has been prepared in accordance with requirements set out in guidelines of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* S.C. 2023, c 9 (“the Act”). It is a joint report prepared on behalf of and approved by the Board of Directors of Rodd & Gunn New Zealand Limited. Although Rodd & Gunn is not mandated to report under the Australian Modern Slavery Act 2018, (Cth) we have also a FY23 Modern Slavery Statement on a voluntary basis, to demonstrate our commitment to transparency and eradicating modern slavery in all our business operations and supply chain.

This statement applies to Rodd & Gunn New Zealand Limited, and all its subsidiaries, during the Australian Financial Year, ending 30 June 2023:

- Rodd & Gunn Australia Pty Ltd
- Rodd & Gunn USA Inc
- Rodd & Gunn USA Retail Inc.
- Ross & Gunn Canada Limited
- Rodd & Gunn UK Limited
- Rodd & Gunn France
- Rodd & Gunn Belgium
- Rodd & Gunn Netherlands BV

The Rodd & Gunn New Zealand Limited principal office is located at:

Rodd & Gunn New Zealand Limited
Level M, 17 Albert Street
Auckland 1010

Rodd & Gunn started trading in Canada in 2022. We acknowledge our responsibilities in relation to tackling modern slavery, including forced labour and child labour. We recognise that our business practices may have caused, contributed to, or been linked to modern slavery in the supply chain or through our business activities. This statement sets out the continued approach that Rodd & Gunn have taken to ensure that risks of modern slavery, forced labour and human trafficking are mitigated throughout our supply chain and business operations.

Consultation and guidance for this report was provided by Go Well Consulting Ltd, Auckland New Zealand.

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in the report for all the reporting entities. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for 2023.

This statement has been reviewed and approved by the Rodd & Gunn Board of Directors and signed by Michael Beagley on the 1st of May 2024. Michael Beagley is a Director of the Board and CEO of Rodd & Gunn New Zealand Limited and has the authority to bind Rodd & Gunn New Zealand Limited and the reporting entities as listed above.

Michael Beagley
Chief Executive Officer and Director of the Board

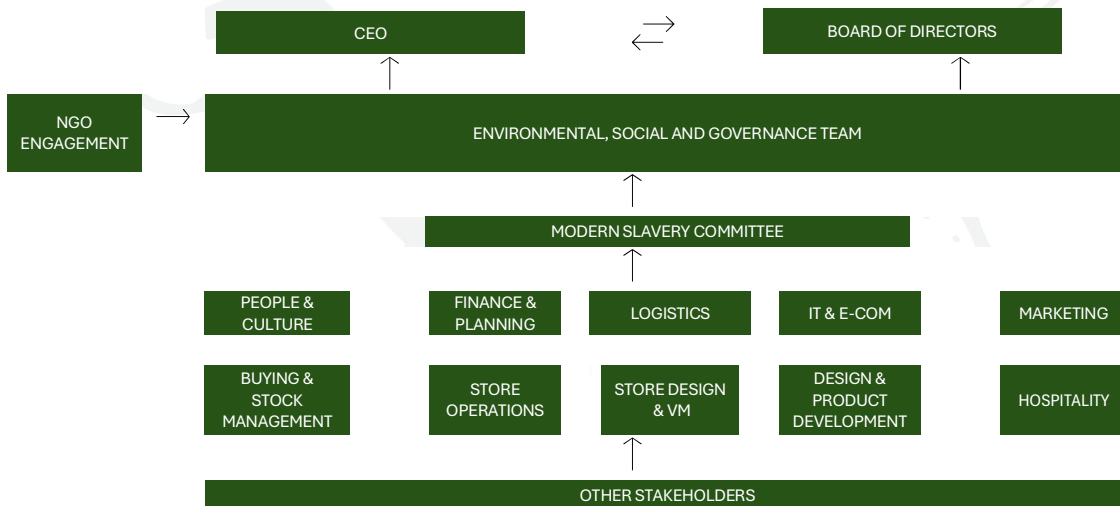
STRUCTURE, ACTIVITIES & SUPPLY CHAIN

OUR STRUCTURE

Rodd & Gunn New Zealand Limited is a corporation. We operate in the Retail, Wholesale, E-commerce, and Hospitality sectors. Over the years, we've earned a reputation for crafting timeless menswear garments, footwear, luggage, and accessories that are made to last. We're a proud Kiwi brand, with an ever-growing global presence. The Rodd & Gunn brand was established in 1987 when the first stand-alone store opened in Auckland, New Zealand. And from that moment forward, the Rodd & Gunn brand became synonymous with quality. In 2023 we expanded our retail & wholesale network into Europe and adding to the already established portfolio across NZ, Australia, USA, Canada, and the UK.

We are governed by a Board of Directors and our CEO is also a Director on the Board. Accountability for our action and progress on matters relating to Modern Slavery, Forced Labor, and Child Labor sits with our board, and they are responsible for ensuring that fundamental human rights are upheld throughout all levels of the business. Our ESG Team work diligently to help limit the risks associated with any social responsibility, or environmental issues that may occur in our supply chain. They work directly with our suppliers to ensure due diligence processes are followed through, and they help identify any potential risks that may occur before they happen. One of our key initiatives for FY23 was the need for a whole business approach to modern slavery. Therefore, we established a Modern Slavery Committee that comprises of a representative from each area of the business and who's role is to work cross-functionally at helping the business understand, identify, mitigate, and remediate the risks of Modern Slavery. Our Human Rights Governance Structure demonstrates the responsibility and reporting process for the company for matters of ethical sourcing and human rights due diligence.

Human Rights Governance Structure:



OUR ACTIVITIES

We have a retail network of 180 stores and concessions that span across NZ, Australia, Canada, USA, UK & Europe. We have 90 wholesale partners across USA, Canada, UK, and Europe. We have 4 Lodge Bar & Dining destinations across NZ and Australia. Rodd & Gunn's principal head office is in Auckland, New Zealand and we have 3 support office locations in Melbourne, New York, and London. Every market we operate in has access to *on-the-ground* operational support teams that provide training, recruitment, and guidance. We own a distribution center in Melbourne and Auckland and then we use third party fulfilment centers in USA, Canada, the UK and more recently in The Netherlands for our European market. Due to recent growth, we have seen our workforce increase to 940 people across all markets in either a full-time or part-time capacity, 69 of which are based in Canada. People have and always will remain the core focus of our business. All team members are given an employment contract, whether they are permanent or casual, and are required to uphold our *Employee Code of Conduct* as outlined in the Operations Manual. This document highlights our position and expectations for all our staff on matters of Health and Safety, Anti-Bullying, Anti-Sexual Harassment and Equal Opportunities, and we continue to monitor and manage any breaches in this area.

STORE & CONCESSIONS	SUPPORT OFFICES	DISTRIBUTION CENTERS	THE LODGE BAR & DINING	WHOLESALE PARTNERS	OUR PEOPLE
180	4	6	4	90	940 GLOBALLY
NEW ZEALAND, AUSTRALIA, USA, CANADA, UK, EUROPE	AUCKLAND, MELBOURNE, NEW YORK CITY, LONDON	NEW ZEALAND, AUSTRALIA, USA, CANADA, UK, EUROPE	NEW ZEALAND, AUSTRALIA	USA, CANADA, UK, EUROPE	69 CANADA

OUR SUPPLY CHAIN

Our apparel, footwear and accessories are designed exclusively in house by our talented design team in Melbourne, Australia. Our products are manufactured through a global network of trusted suppliers with a strong relationship history. We distinguish each level of our supply chain with a supplier tier system broken down into four tiers for each stage of the process. Each supplier is carefully selected for their quality workmanship, ethical practices, and integrity. For FY23 Rodd & Gunn have worked **directly** with a total of 78 suppliers, across tiers 1-4 in 18 countries. Please review our latest supplier list available on our website (<https://www.roddandgunn.com/brand-story/sustainability>) where our direct relationships are broken down into the following four levels, or Tiers:

TIER 1	TIER 2	TIER 3	TIER 4
34	36	3	5
FINISHED GOODS MANUFACTURERS & ARTISAN PRODUCERS	FABRIC MILLS YARN MILLS TANNERIES TRIM SUPPLIERS	YARN SPINNERS AND PROCESSORS	RAW MATERIAL PRODUCERS & TRADERS

Garment Workers

It is fundamental that our commitment to upholding human rights is extended to the very people who produce our products. We value the skills and craftsmanship of artisan production and aim to support traditional artisan producers where we can. Any form of exploitation is contrary to our brand values, and we believe that all garment workers have the right to be treated with dignity, respect, can afford to support their families, and live and work in a healthy and safe environment where their craft and skill is celebrated and rewarded. Tracking internal and foreign migrant workforces is highly important due to the increased risk of exploitation through the recruitment process. Here is a snapshot of the garment workforce across our supply chain, noting that these workers are not exclusive to Rodd & Gunn but make for many other brands also. These figures were taken from our FY23 factory assessment portfolio and can vary slightly year on year.

TIER 1 GARMENT WORKERS	TIER 1 GENDER SPLIT	MIGRANT WORKER BY COUNTRY
13,500 WORKERS GLOBALLY	FEMALE 70% MALE 30%	26% VIETNAM (Internal) 12% CHINA (Internal) 59% MAURITIUS (Foreign)

Production by Country

Transparency of our supply chain, at all levels is important for us to gain full visibility of any human rights and modern slavery risks in our supply chain. It also provides an understanding about where our financial investments are spread across the supply chain, which is very important when evaluating impact, assessing risks, allocating resources, and making decisions for the business. Below you can see how that investment is allocated across our Tier 1-2 supply chains.

FINISHED GOODS MANUFACTURERS	
Vietnam	59%
China	23%
Mauritius	5%
Bangladesh	3%
Türkiye	3%
Cambodia	3%
Italy	1%
Portugal	1%
Australia	1%
Thailand	1%
Indonesia	0.3%
New Zealand	0.1%

FABRIC & YARN MILLS, TANNERIES	
China	58%
Italy	30%
Türkiye	4%
Bangladesh	3%
Slovenia	2%
Portugal	1%
India	1%
Austria	0.5%
Mauritius	0.3%
Brazil	0.3%
Pakistan	0.3%
Czech Republic	0.2%
Spain	0.2%
Thailand	0.1%



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OUR POLICIES

OUR ACTIVITIES

All Rodd & Gunn team members receive an employment contract, which outlines their rights and responsibilities. All team members are required to adhere to our *Employee Code of Conduct*, and abide by our Health and Safety, Anti-Bullying, and Anti-Sexual Harassment stipulations. Our human resource policies and processes help to identify any human rights breaches early on, and each team manager is required to monitor and manage any reported incidences through our Governance Structure. This initiative was further supported by the *Modern Slavery Policy* drafted in 2022. The focus for the reporting year ahead will look at completing this integration into our business practise. You can view our Modern Slavery Policy on our website (<https://www.roddandgunn.com/brand-story/sustainability>).

Responsible Purchasing Policy

Rodd & Gunn have built strong relationships with our suppliers over time, and we understand that our purchasing decisions could lead to an increase in human rights violations. In 2018, we first developed our *Responsible Purchasing Policy*, which outlines our strategies and actions for all staff at Rodd & Gunn, to help uphold human rights and alleviate pressure on our suppliers. The policy outlines guidelines for our team members on how to interact with our suppliers, without causing negative environmental or social impacts, and covers strategies for the following business areas, planning, and forecasting, design and development, price and price negotiation, payments, and responsible exit strategies. As part of this commitment to continually monitor and review our purchasing practises. In 2023 our Buying, Planning, Design, Procurement and Sustainability teams took part in The Five Principles of Responsible Purchasing E-Learning Course facilitated by Better Buying. As a result, we have established a stronger understanding of what will impact future engagement and decision making. You can view our Responsible Purchasing Policy on our website (<https://www.roddandgunn.com/brand-story/sustainability>).

OUR SUPPLY CHAIN

Supplier Code of Conduct

Our Supplier Code of Conduct (“The Code”) outlines our commitment, standards, and values that we expect, as a minimum, of our supplier partners. The Code is made available to our suppliers in 11 different languages that are spoken across our supply chain. We work with our auditing partner to ensure these are well displayed. The Code is aligned to the Ethical Trade Initiative (ETI) Base Code Guidelines and the International Labour Organisation (ILO) Principles. The Code is reviewed regularly and updated according to industry best practise guidelines. You can view our Supplier Code of Conduct on our website (<https://www.roddandgunn.com/brand-story/sustainability>).

It is mandatory for 100% of all our Tier 1 suppliers to have viewed, signed, and displayed our Code of Conduct. One of our goals for FY23 was to start distributing our Code to our Tier 2 & Tier 3 suppliers. Currently, 27% of our Tier 2 suppliers have signed our Code as well as one major Spinning Mill partner at Tier 3 level.

Supporting Policies

Below is a list of additional policies that we have developed to strengthen our Code and supplier practises. This suite of policies is to not only drive best practise within our supply chain but to also hold ourselves accountable to these high standards. To access these policies in more depth please visit our website (<https://www.roddandgunn.com/brand-story/sustainability>).

- No Child and Forced Labour Policy
- Gender Equality Policy
- Responsible Cotton Sourcing Policy
- Worker Grievance Policy

Rodd & Gunn also require suppliers to adopt a range of environmental, animal, chemical and material sourcing policies which are also important to the health, protection, and wellbeing of all workers in supply chain:

- Animal Welfare Policy
- Sub-contractor Approval Form
- EU Reach Regulation & Compliance
- Restricted Substance List
- Manufacturing Restricted Substance List

OUR DUE DILIGENCE PROCESSES

Rodd & Gunn adopt the three pillars of the UN Guiding Principles on Business and Human Rights – to protect, respect and remedy – throughout our operations and supply chains. Our board are committed to collaborating with ESG team, Modern Slavery Committee and business and supply chain partners to identify, mitigate, and remedy any potential human right violation, and the board take responsibility for any modern slavery impacts including that of forced labour and child labour. Outlined here are some of the processes we have in place to prevent Forced Labour and Child Labour risks in our business operations and supply chain. To learn more about *Rodd & Gunn's Good Business Journey* and our sustained progress since 2014 please view our *Australian Modern Slavery Statement for FY23* available on our website (<https://www.rodandgunn.com/brand-story/sustainability>).

OUR ACTIVITIES

We are guided by the OECD framework for responsible business conduct which helps to address any negative impacts of business operations whilst contributing to the sustainable development of the countries we source from. In 2023 we conducted a corporate self-assessment through the OECD Due Diligence GAP Analysis a benchmarking tool that helps identify emerging risks and areas that require focus and improvement.

Mapping our Business Operations

We engage with many different non-trade / third-party service providers. To increase our visibility of modern slavery risks within this sector of the business, the Modern Slavery committee have been working cross functionally on identifying and mapping these providers. We then conducted an analysis of these providers to understand more about their own due diligence practises, and in some cases obtained copies of their own Modern Slavery Statements and Code of Conducts. This is the first step in working towards full transparency across our operational service providers and formulating an Operational Risk Assessment tool that will identify high risk providers and introducing a 'terms of trade' policy into all future relationships and contracts.

NGO Engagement

We collaborate with civil society and NGOs to help advocate for change in the industry and to encourage the brand to continually improve our social and environmental impact. Since 2018 we have engaged with Baptist World Aid on the Ethical Fashion Report. The report examines and rates companies on their approach on worker rights, transparency, and environmental sustainability throughout all levels of the supply chain. You can download the most recent report at www.baptistworldaid.org.au.

Voluntary Reporting

In 2022 we published our first voluntary *Australian Modern Slavery Statement*, which outlines the actions we are committed to taking to help identify, manage, and remedy modern slavery risks in our supply chain + operations. Although Rodd & Gunn is not mandated to report under the Australian Modern Slavery Act 2018, (Cth). As a responsible brand, we are submitting an annual statement on a voluntary basis, to demonstrate our commitment to transparency and eradicating modern slavery in all our business operations and supply chain.

Modern Slavery Committee

In 2023, we established a Modern Slavery Committee. This was a key goal set out in previous years' reporting cycle and it was important that we established this committee to ensure we have a holistic business approach to modern slavery awareness and action. The process commenced with a companywide awareness session about modern slavery more broadly and our voluntary reporting commitment. The ESG Team then consulted each business area, and a representative was elected. The group meets every biannually to discuss goals for each department, proposed initiatives, progress, and what cross functional support is required to carry out those initiatives. These conversations have elevated the awareness on modern slavery across the business and initiated a collaborative culture of engagement.

OUR SUPPLY CHAIN

Transparency and Traceability

It is important for us to continuously map our supply chain and ensure the traceability of all our products. To hold us accountable, and to be a transparent business, we publish our Tier 1, 2, 3 & 4 supplier list on our website (rodandgunn.com/brand-story/sustainability). This document is updated annually and allows our customers and other business stakeholders to view information on the factories and mills we use, what products they make, how many they employ, the gender of those employees, when they were last audited, and what certifications they hold.

We are continuously reviewing and collaborating with our suppliers to trace the lower tiers of our supply chain, to identify and build relationships with all suppliers that help produce Rodd & Gunn products. Currently we have visibility at facility level for 100% of our Tier 1 and Tier 2 suppliers, and 91% of our Tier 3 suppliers, an increase of 21% on the previous year. We have also traced back to the country of origin for 88% of our Tier 4 suppliers, an increase of 13% on the previous year. We keep a traceability register for each style each season, where we record the chain of custody and other relevant tracing information. This is achieved through various document verification, and communication with our suppliers, in the form of Certificate of Origin, Transaction Certificates, Spinner Declarations, Invoices, Bill of Lading, Packing Lists, and Spinner and Bale Code Declarations.

Traceability to Country of Origin Achieved by Tier:

TIER 1	TIER 2	TIER 3	TIER 4
100%	100%	91%	88%
TRANSPARENCY	TRANSPARENCY	TRANSPARENCY	TRANSPARENCY

Grievance Mechanisms

Ensuring the workers in our supply chain have a voice, is a crucial step to help identify any human rights breaches. In 2018 we developed our Grievance Policy, which outlines the steps a worker can take to confidentially communicate directly with Rodd & Gunn. In 2020, we increased the accessibility of our grievance mechanism, by adding a QR code, email address and WeChat account to allow workers to contact us more easily. All suppliers are directed to display the *Grievance Notice* in a prominent staff location, outside of the view of management – such as break rooms, dormitories, or rest rooms with follow up on the display of the *Grievance Notice* by our auditing partners. To date, we have received no grievances through our email, or WeChat account. A robust grievance mechanism is a crucial tool for elevating the worker voice, so investigating other mechanisms that we can adopt to encourage worker engagement will be a key focus for the next reporting period and we are working with SGS on how to make our grievance mechanism more accessible and trusted by all workers.

Sub-Contractors

We require any supplier that wishes to sub-contract Rodd & Gunn production, to write to us for prior approval. For our Tier 1 production the only sub-contracted services we will approve is the use of specialist laundries, embroiders and printers. Suppliers must complete our *Sub-Contractor Approval Form* which outlines location, and details on the sub-contractor and traceability requirements. The sub-contractor must also read and adhere to the *Supplier Code of Conduct* and Supporting Policies before work is commenced and we verify this compliance through our 3rd party audits.

Auditing

Rodd & Gunn are working with SGS, one of the world’s leading verification, testing and inspection company, to help us audit our suppliers for social compliance and environmental standards. The table below provides an overview of the key protocols of our auditing program.

AUDIT PREREQUISITE	Rodd & Gunn only work with factories who demonstrate full cooperation with our audit program and due diligence screening process.
ASSESSMENT CONTENTS	Our checklist scans factories on local, national & international laws, in conjunction with our Code of Conduct & other brand specific requirements.
AUDIT TYPE	On-site only for all new & initial audits. On-site or remote desktop review for follow-up audits.
AUDIT FREQUENCY	Approx. every 2yrs, subject to meeting Rodd & Gunn’s performance expectations.
AUDIT DATE	Semi-unannounced. We provide a 4-week window to our factories during which the auditor(s) arrive on any given day.
AUDITORS	All SGS auditors are fully trained & APSCA accredited, speak the local language of the regions we audit in and collectively share many years of experience.

For any suppliers that have significant areas of improvement or ongoing recurring non-compliances, we conduct audits annually. For suppliers that demonstrate willingness and evidence of ongoing improvement, we conduct audits bi-annually. Depending on the length and nature of our buying relationship with a Tier 1 supplier, we may temporarily accept a supplier’s own audit or independent certification, if doing so reduces duplication and audit fatigue.

We assess and review every audit or certification that is carried out. We work with each supplier on the expectations around managing and maintaining their Corrective-Action-Plan (CAP), rating them from ‘high’ to ‘low’ risk. In FY23, 7 out of 10 of our audited factories had scored an A or B rating, or ‘Low Risk’, whereas 2 factories had scored as ‘High Risk’ (at the time of publishing this report, both factories had already started the remediation process and demonstrated evidence of satisfactory improvements). We verify any corrections made through desktop review directly with the supplier or, in cases of high-risk non-compliances, through independent onsite follow-up.

Sourcing of Raw Materials

Through increased transparency, audit results and supplier risk analysis, we can focus our resources on the factories, countries or fibres that have a higher risk of forced / child labour and help us identify and mitigate any potential risks before they occur. However, we do recognise that the greater exposure to instances of modern slavery is more likely to occur in the lower tiers of the supply chain such as farms, gins and mills that spin, weave and produce the fabrics and yarn.

85% of our raw materials come from Cotton. Achieving full traceability to farm level can be difficult, especially when cotton is traded as a commodity and individual farm output changes every season dependent on so many factors such as climate, yield, quality etc. In 2018 we developed the *Responsible Cotton Sourcing Policy* available on our website(<https://www.roddandgunn.com/brand-story/sustainability>) which aims to address specific geographical areas which have been identified as high risk to human rights violations and to ensure that the chain of custody of our cotton products could be verified. Currently, thanks to our cotton partnerships, we have full traceability of 94% of our cotton, back to Country of Origin and in some cases right back to the raw material processor themselves.

Through our transparency work, we established that building relationships with organisations who are working on the ground to improve environmental, and social practices on cotton farms, would have the biggest impact. Rodd & Gunn have been able to assign several *Farm > Floor programs* to our core ranges. By supporting these programs, each supply chain partner is endorsing the strong environmental and social benefits each program offers. We've established partnerships with premium raw material providers such as *Cotton Australia, Good Earth Cotton, Supima Cotton, USA Cotton, ZQ Merino and European Flax*. These partnerships are particularly important in reducing our exposure to forced /child labour and help to provide transparency, verification, and assurance by conducting their own human rights due diligence and upholding local legislation.

European Fabric Mills & Yarn Mills

We are privileged to continue our long-standing relationships with some of the most premium textile mills in Italy and Europe. Our European mills are our preferred fabric source, making up 40% of our apparel wool yarns and woven fabrics. Our mills fuse traditional methods with the latest technology to produce fabrics, in part exclusively for us. Many of our mills celebrate a long history in the textile industry, supporting local townships, stringent environmental regulations and continuing to provide opportunities for local communities and future generations. In addition to our European Mills, we work with raw material producers and organisations that help us verify the origin of our materials. You can read more about our Fabric and Yarn Mill relationships on our website (<https://www.roddandgunn.com/brand-story/sustainability>).

Onboarding New Suppliers

We undertake thorough due diligence checks on all suppliers, including verifying social compliance audits and certifications, checking relevant policies, reviewing public profiles and websites, reviewing how they engage with their workers and other stakeholders. This is actioned through the Rodd & Gunn Minimum Sourcing Requirement Checklist covering the following four areas that the supplier must confirm their commitment to:

- Governance + Transparency
- Supplier Certifications and Standards
- Traceability + Raw Material Sustainability
- Packaging, Materials and Shipping

Once this assessment is complete and the supplier is approved for engagement, they are then required to read and sign the Supplier Code of Conduct ([roddandgunn.com/brand-story/sustainability](https://www.roddandgunn.com/brand-story/sustainability)) and other responsible policies before commencing production. Once a supplier has been actively producing for more than 12 months, they will be included to our Audit schedule.

FORCED LABOUR AND CHILD LABOUR RISKS

We recognise that by operating in the global apparel, footwear, and accessories market, our activities could cause or contribute to modern slavery practices in both our operations and supply chain. We have reviewed our current practices and identified possible risks that could arise for the people associated with our operations, and in our supply chains.

OUR ACTIVITIES

Our main corporate business activities are conducted in countries with strong regulation, and human rights compliance, such as Australia, New Zealand, Canada, USA, and Europe. We consider the risk of modern slavery happening in our operations as low, and our higher risks to be associated with our product supply chain. However, this does not mean that our own operations are immune from risks of Forced / Child Labour issues. Understanding the increased challenges and heightened risks with such growth will be paramount to the way in which we operate the business. Our operational risks can be identified across some of the following areas:

Recruitment Practises

All our team members are given an employment contract and are required to adhere to the operational standards which include our Code of Conduct that helps protect them from human rights abuses once employed. However, we have an increased risk, due to the use of 3rd party recruitment providers for our Melbourne and Auckland DC temporary staff recruitment. There is a possible risk of Modern Slavery related incidences, due to the lack of transparency of how and where these team members are recruited.

Third-party Service Providers

We procure the services of a variety of facility management third-party businesses across our office and store network. Due to the casual and physical human nature of many of these jobs, there is a risk of the use of sub-contractors and migrant workers through these third-party suppliers, which can increase the risk of forced labour. Some of the services we use third party suppliers for include cleaning contractors, alteration services, offshore data processing, tradespersons etc.

Shipping and Logistic Providers

We currently use the following shipping and logistics partners; Kerry Logistics, Kex Express, TNT, FedEx, Bergen Logistics, Australia Post and New Zealand Post. All these companies have conducted their own modern slavery due diligence and are working to reduce risks in their own operations and supply chains. However, as these suppliers are not owned or controlled by Rodd & Gunn, we have little visibility over their recruitment practices. There is a risk that the use of contracted, migrant, and temporary labour has been used, and poor labour practices uncovered.

The Lodge Bar & Dining

For our hospitality business our suppliers are based locally to each location and most goods are ordered, manufactured, grown, or farmed domestically. This procurement makes us reliant on supply chains which may carry varying degrees of modern slavery risk. Agricultural industries such as wine, seafood, meat, dairy, and fresh produce are vulnerable to human rights violations such as temporary recruitment, migrant labour, and poor wage conditions with pick rates. Our food & beverage suppliers are carefully selected by an experienced hospitality team with an increased awareness about a supplier's ethical business model and a shared commitment to best practice.

OUR SUPPLY CHAIN

We do not own any of our factories, but we have spent many years building long-term relationships. We work closely with our suppliers to identify and mitigate any potential risks of forced / child labour. We have conducted a labour rights risk assessment across our Tier 1 supply chain and implemented a Grievance Mechanism across all our Tier 1 factories. We continue to map our entire supply chain back to raw material providers and focus on supply chain consolidation through the elimination of high-risk regions and implementing Farm > Floor programs based on the strength of their ESG indicators and performance.

Labour Rights Risk Assessment

Vietnam, China, and Mauritius make up 87% of our Tier 1 production. We understand that each of these countries has associated risks, and we have conducted a geographical labour rights risk assessment, based on findings from our SGS third party audits gathered over 8 years of audit history. To understand our Labour Rights Risk Assessment tool in more detail, please go to the Australian Modern Slavery Statement for FY23 on our website (<https://www.rodandgunn.com/brand-story/sustainability>). In building this assessment, we drew on the following industry-led publications and resources:

- International Labour Organization (ILO)
- Labour Rights Index 2022
- Wage Indicator
- 2023 Global Slavery Index
- Transparency International
- Anti-Slavery International
- The Trafficking in Persons Report



Vietnam – Medium Risk

Vietnam is the second largest apparel manufacturer in Asia and employs over 2.5 million people. The apparel industry in Vietnam still relies heavily on the use of internal migrant workers, and there are still risks of trafficking, and forced and child labour in the country's manufacturing sector. Rodd & Gunn's Vietnam suppliers largely employ local workers, except for a small number of internal migrant workers (around 12%), and a few skilled labourers from China, which is why our risk rating is considered low for temporary and/ or migrant workforce. Although not independently formed, 100% of workers in our Vietnam factories have access to Trade Union representation and active collective bargaining agreements are in place. Despite this, the lack of grievances or complaints received/recorded gives rise to question how effective or accessible the existing processes are for workers and as such, we believe there is a moderate risk their voices not being heard. Vietnam now receives the highest volume (59%) of order placement from Rodd & Gunn which demonstrates our investment in this region.

China – High Risk

China is the largest garment manufacturing country in the world and is where many of our Tier 1 suppliers are located – although the combined order volume from this region for this reporting period is 23%, compared to 32% the previous year. China is the majority supplier of our Tier 2 trim suppliers. Due to the geographic size of the country, migrant work from rural communities is a regular occurrence, and the use of forced labour has been linked to the apparel sector, most recently in the Xinjiang region, where 80% of China's cotton is grown. The Chinese government also strictly control union organisation, with the All-China Federation of Trade Unions (ACFTU) being the only legally existing union in the country. Although all our Tier 1 factories in China have internal worker representation in place, only 17% of those have a Trade Union established for additional support. The use of excessive overtime, and sub-contracted laundering, embroidery or print processes poses a risk of forced or debt bonded labour occurring in the more distant parts of our supply chain.

Mauritius – High Risk

Mauritius is a tropical island off the eastern coast of Africa and has become a manufacturing hub for the global apparel industry. African countries have the highest prevalence of modern slavery in the world, and Mauritius, due to its island location, has been a hub for migrant workers from countries, such as Bangladesh. The Mauritian apparel industry has been linked to risks of debt bondage and forced labour as recently as 2023. According to the Global Slavery Index and Transparency International, currently only 50% of reported cases are addressed by the government, due to high levels of corruption and bribery, leaving many workers vulnerable and with lack of support. Mauritius is our third largest country for Tier 1 garment manufacturing and due to the Covid-19 pandemic, we now have limited visibility over our factories which has placed this region in a high-risk sourcing category for us. We made a commitment to resume third party monitoring activities in Mauritius and work on addressing our identified risks. The additional due diligence and monitoring activities we carried out on suppliers in Mauritius has provided valuable context and insights. Unfortunately, the conditions we uncovered in Mauritius has caused increased concern, with the prevalence of workers' vulnerability to risks such as unethical recruitment processes, unsafe working/living conditions, ineffectiveness of grievance mechanisms and access to remedy for workers. We have since updated our risk profile of Mauritius to reflect these findings.

Cotton Sourcing

According to the 2023 Global Slavery Index Cotton production has a long history of slavery and continues to be harvested by men, women, and children working in conditions tantamount to modern slavery. Child and forced labour have been linked to cotton farming in Benin, Burkina Faso, China, Kazakhstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. Prompting governments to force change through legal clampdowns. In the United States, the Uyghur Forced Labor Prevention Act (UFLPA) came into force in June 2022 in response to the uncovering of severe human rights violations in the Xinjiang Province known as a large cotton growing region.

Cotton is our most used raw material making up 85% of Rodd & Gunn's total fibre use. 75% of our cotton comes from Australia and USA and only 5% comes from China. Our Responsible Cotton Sourcing Policy, Raw Material Partners, Farm to Floor programs and ongoing traceability work has been a key driver towards eliminating Cotton from high-risk regions with a goal to eliminate all Chinese cotton by 2025.

REMEDATION MEASURES

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

Once audits have been completed, SGS develop a Corrective Action Plan for the supplier based on any non-compliances and rate them according to their severity (minor / major / critical). We then receive and review the results and compare these with previous audits. We collaborate with suppliers directly to establish the root causes and correct any non-compliances. Critical non-compliances must be corrected immediately on the Audit Day or within an agreed timeframe. All other non-compliances are addressed in order of priority and recurrence, but generally within a 6–12-month timeframe. We believe this direct communication greatly enhances our relationships with suppliers and builds our understanding of the root causes and potential systemic challenges. For any non-compliances that cannot be verified by us internally, we request a follow-up audit to ensure these non-compliances have been officially assessed.

If a case of modern slavery or forced labour is identified through our supply chain, either through our grievance mechanism, third party audit company or other external avenues, we adopt the Ethical Trade Initiative (ETI) process for remediation.

Where possible we attempt to collaborate with other brands, industry specialists, NGOs, and local civil society to remediate on a large scale. This type of engagement can provide further insight into a wider range of issues and causes and allow for more effective remediation and a collaboration of experience and resources.

Supplier Exit Strategy

We aim to support, educate, and collaborate with our suppliers to help drive sustained business, continuous improvement, and positive change. In the rare circumstance where we decide to exit a supplier, we ensure the supplier is provided with sufficient notice and a long-term phase-out plan is determined with a clear timeframe that is in line with their production and worker schedule. We understand that terminating relationships with suppliers can impose further distress for workers and will only resort to this if the attempts to remediate have been unsuccessful. Exiting a supplier is actioned when one or more of the following circumstances occur:

- A decline in workmanship resulting in elevated customer return rates.
- Inability to meet a design/spec requirement.
- Rodd & Gunn is unable to meet a supplier requirement or minimum quantity.
- No longer commercially viable such as changes in trade regulations and logistical challenges.
- An unwillingness to resolve non-compliances to our Social Compliance or the transparency and traceability requirements laid out at the beginning of the relationship.
- A change in supplier practice where the human rights impacts are too great.

REMEDITION OF LOSS OF INCOME

We have not been able to identify any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains. However, to avoid from this happening we take full responsibility and pay in full for all finished goods and goods in production. This also includes any raw materials and trims purchased by suppliers for future productions. We ensure these materials are used for future production so that suppliers, factories, and mills are not left out of pocket. We don't cancel cancelled purchase orders and in no cases have force majeure clauses been enforced. We continue to be guided by industry-led organisations and their approach to prevention and remediation of human rights abuses such as:

- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Ethical Trade Initiative (ETI) > Access to Remedy Guidance
- International Labour Organisation (ILO)

Fair Wages

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

TRAINING AND AWARENESS

Educating our team members on modern slavery, and human rights occurrences ensures our business is accountable for identifying any potential cases of modern slavery. Key operational teams have engaged in several events, educational workshops, and collaborations throughout the reporting period to strengthen and upskill their knowledge on matters concerning modern slavery. Such as:

- The ESG Team attended the *Human Rights in the Cotton Supply Chain Conference* hosted by Cotton Australia
- Through our NGO engagement with Baptist World Aid the ESG team we were invited to attend voluntarily a series of educational webinars, in particular *Modern Slavery Advisory Webinar* hosted by BWA in partnership with Be Slavery Free.
- Rodd & Gunn participated in a roundtable event at the *Queensland University of Technology*. Where a group of Associate Professors who are evaluating the private sectors response to Modern Slavery conducted a peer review and feedback session on Rodd & Gunn's Modern Slavery Statement.
- *The Five Principles of Responsible Purchasing E-Learning Course* facilitated by Better Buying. Mandatory completion was required for all Buying, Planning, Design, Procurement, and ESG teams.
- Rodd & Gunn head office conducted a *Modern Slavery Awareness Session*, outlining the company's commitment to voluntary reporting, prevalence of modern slavery practises existing in our operations and supply chain and our responsibility to mitigate and remedy.
- *The OECD Due Diligence for Responsible Business Conduct* online course for the Garment and Footwear sector. All ESG, Buying, Design and Procurement team members were invited to participate.

ASSESSING EFFECTIVENESS

Our ESG Team together with The Board, Senior Management and the members of the Modern Slavery Committee continuously monitor our risks, implement action, and identify areas for further resources and interrogation. Here are some of the actions, objectives and tools used to analyse our effectiveness:

OUR ACTIVITIES

- Biannual meetings of the Modern Slavery Committee and obtaining cross functional business updates on progress.
- Further tracking and mapping of our operational suppliers and partnerships.
- Monitoring the number of new contracts issued to service providers that contain a Modern Slavery clause and ensuring the successful compliance of that process from both parties.
- Building a database of third-party suppliers and providers that have also made a commitment to report, mitigate, and remediate against Forced Labour and other human rights violations.
- Continued commitment to reporting on Modern Slavery including both the mandatory requirements of the *Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act* and the voluntary commitment under the *Australian Modern Slavery Act*.
- Participating and facilitating further education, training, awareness and peer review on internal due diligence practises and strategies to further mitigate and remedy human rights violations in our business activities and supply chain.
- Rodd & Gunn is guided by the OECD framework for responsible business conduct which helps to address any negative impacts of business operations whilst contributing to the sustainable development of the countries we source from.
- Conducted a corporate self-assessment through the OECD Due Diligence GAP Analysis a benchmarking tool that helps identify emerging risks and areas that require focus and improvement.

OUR SUPPLY CHAIN

- Promoting transparency by publicly disclosing our Vendor List, Audit Summaries, Policies, Code of Conduct and Modern Slavery Reports and providing an avenue for robust feedback.
- Reviewing and updating our Code of Conduct and supporting Policies in line with industry benchmarks and legislation.
- Increasing the % of traced facilities across all tiers of the supply chain.
- Continue to implement further raw material farm > floor programs that meet a high standard of environmental and social indicators and actively work towards the protection of human rights.
- Ensure all tiers of the supply chain sign, review and adhere to our Supplier Code of Conduct.
- Welcoming and engaging with civil society and NGOs on brand transparency and accountability.
- Assess the results and engagement rates of our grievance mechanisms and other worker engagement strategies that we deploy.
- Enhance and review the social compliance audit program and make necessary amendments to the audit protocol based on updated industry information on key Forced Labour and Child Labour markers and high-risk regions.

We recognise that continuous improvement is about setting goals, integrating them into our business practices and company strategies, but also having mechanisms that regularly assess their effectiveness. We are committed to staying informed on emerging risks, applying a metric based index to benchmark our effectiveness, and communicating our progress in FY24 and beyond.