



Joint Modern Slavery Statement

For the financial year ending 3 July 2022

Crafted for life

R. M. WILLIAMS

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Introduction, reporting entity identification & approval

This joint statement is published to meet the reporting requirements under the Modern Slavery Act 2018 (Cth) ("the Act") on behalf of the following entities in the R.M.Williams Group:

RMW Holdco Pty Ltd, RMW Bidco Pty Ltd, Percy Street Pty Ltd, Jackaroo Capital Pty Ltd and, R.M.Williams Proprietary Limited (together referred to, along with owned and controlled entities, as "R.M.Williams" in this Statement) for the year ended 3 July 2022.

R.M.Williams remains committed to effectively addressing modern slavery risks in our business operations and supply chains.

We recognise that apparel is a high-risk industry and that there are significant risk areas in apparel supply chains for forced labour, debt bondage and other forms of severe exploitation constituting modern slavery. We accept our responsibility to take meaningful steps to assess and address these risks to protect vulnerable workers and ensure harms are remediated.

We actively monitor the risk of modern slavery occurring in our operations and supply chains. Our overall modern slavery risk management process includes policies, contractual arrangements, risk screening and assessments, supplier engagement and training, and extensive onsite auditing of our material and product suppliers. Our onsite due diligence is an important feature for continually improving the conditions in our supply chains and our modern slavery response moving forward.

Our primary focus since the last statement has been:

- Increased onsite auditing of suppliers
- A living wage assessment of our direct employees
- The drafting of a comprehensive 3-year Modern Slavery Plan.

Consultation with all owned and controlled entities has occurred as part of the preparation of this Statement, and in relation to our modern slavery response in general. This statement has been prepared by R.M.Williams' centralised corporate function in consultation with senior leaders, staff, and directors of R.M.Williams and the entities owned and controlled by R.M.Williams. The centralised corporate function has ensured that R.M.Williams operational controlled entities have been involved in the activities undertaken by R.M.Williams to identify, address and mitigate modern slavery risk within their operations and supply chains.

This statement is signed by a director of each reporting entity covered by this joint statement in accordance with section 14(2)(e)(i) of the Act.¹

Signed by



John Hartman
Director

Date: 23 December 2022

1. RMW Holdco Pty Ltd (ABN: 28 163 626 382), RMW Bidco Pty Ltd (ABN: 61 163 636 682), Percy Street Pty Ltd (ABN: 83 644 820 020) and Jackaroo Capital Pty Ltd (ABN: 87 644 822 980) are the non-operating holding companies that meet the reporting threshold under the Act.

Our values

Humility

Be vulnerable, take risks to trust others

Courage & Determination

NEGU - We never ever give up

Empowerment

Go to your leader for advice, not permission

Enthusiasm

Be the most positive person in the room

Family

Support each other, always be kind

Frugality

Think of ways we can do things better, faster, cheaper, safer

Generating Ideas

Always be on the lookout for breakthroughs

Integrity

Do what you say you're going to do

Safety

Look out for your mates and yourself

Stretch targets

Always be uncomfortable with your level of challenge

A letter from our CEO

This year has seen our approach to addressing modern slavery risk become more rigorous, through training, internal systems, and on-site auditing.

First, we have expanded the organisational awareness of modern slavery and upskilled our team. We trained 826 R.M.Williams employees on what constitutes modern slavery, how to identify it, and steps to take to mitigate it.

Second, we have implemented systems that identify risks early, allowing us to be proactive. We screen all suppliers through proprietary databases to identify high risk supply chains, and we have developed a comprehensive onboarding process for new vendors engaging at both a corporate and factory level.

Third, following the disruption caused by the COVID-19 pandemic, we have returned to on-site audits of the factories and other workplaces of our material and product suppliers, coupled with corrective action plans where non-compliances are identified. At the time of lodging this Statement, more than 95% of our direct raw material and finished goods suppliers have been audited as part of our due diligence process.

In FY23, we are continuing our journey. The two themes we're focusing on are: living wage conditions and cascading modern slavery awareness deeper into our supply chain.

We understand that fair and decent working conditions are inextricably linked with reducing workers' vulnerability to modern slavery. We have already started on our Living Wage work. In FY22, we audited and confirmed that all R.M.Williams employees (including those in Australia, the United States, United Kingdom, and New Zealand) are

paid a living wage. In FY23, we are taking this further, assessing the Living Wage conditions of our direct suppliers. This work is well underway, and we hope to report progress in next year's statement.

We are in the midst of designing learning modules and resources for our suppliers to address modern slavery issues, and will begin sending these out electronically over the next reporting period.

This is a journey, and I am proud of what the team has done and what will be done in the next reporting period.



Paul Grosmann
CEO, R.M.Williams

Snapshot of mandatory reporting requirements

The following table sets out a brief description / quick reference guide for how, and where, each of the mandatory reporting requirements under the *Modern Slavery Act 2018* (Cth) are addressed in this Joint Statement.

Table 1.

Mandatory Reporting Requirement under Modern Slavery Act 2018 (Cth)	Page numbers
16 (1) (a) Identify the Reporting Entity	3
16 (1) (b) Describe the structure, operations and supply chain of the reporting entity	7
16 (1) (c) Describe the risks of modern slavery in the reporting entity or any entity it owns or controls	17
16 (1) (d) Describe the actions taken by the reporting entity to assess and address those risks including any due diligence or remediation processes	11
16 (1) (e) Describe how the reporting entity assesses the effectiveness of such actions	26
16 (1) (f) Describe the process of consultation with any entity that the reporting entity owns or controls	30
16 (1) (g) Description of any other relevant information	Throughout this Joint Statement

Our structure, operations and supply chains

Our structure

Our corporate structure, including wholly owned and controlled entities in other countries (described below), has not changed since the last reporting period.

R.M.Williams is a leading Australian manufacturer and retailer of footwear and fashion.

R.M.Williams is owned by the Tattarang Group. Tattarang is one of Australia's largest private investment groups owned by Andrew and Nicola Forrest.

R.M.Williams Pty Ltd wholly owns the following Australian subsidiaries:

- R.M.Williams Publishing Pty Ltd which produces the Outback Magazine sold across Australia; and
- The Original Bushmen's Outfitters Pty Ltd which owns a parcel of land at Frost Road, Salisbury (our primary manufacturing facility).

R.M.Williams Pty Ltd also wholly own subsidiaries in New Zealand, United Kingdom, United States, and the Netherlands. These trading subsidiaries are listed below.

- R.M. Williams (New Zealand) Proprietary Limited
- R.M. Williams (UK) Limited
- R.M. Williams US NY LLC
- R.M. Williams US Trade LLC
- RM Williams B.V.

Other entities exist within the RMW Group which are non-trading and are either dormant or holding entities including RMW Holdco Pty Ltd, RMW Bidco Pty Ltd, Percy Street Pty Ltd, and Jackaroo Capital Pty Ltd.

This joint statement has been prepared by R.M.Williams' centralised corporate function in consultation with senior leaders, staff and directors of R.M.Williams and the entities owned and controlled by R.M.Williams Pty Ltd.

Our operations

Born in the Australian outback, R.M.Williams has become one of the best-known – and best loved – heritage footwear brands in the world. Our iconic one-piece leather boots have gone on to grace the feet of millions of people worldwide. In addition to boots, we also make clothing, leather accessories (bags, belts, and wallets) and other footwear.

The R.M.Williams business comprises product research, design, and development, sourcing, manufacturing, distribution, and marketing.

We operate more than 70 stores in Australia and New Zealand, one store in the US located in New York, two stores in London and a Franchise shop in Copenhagen.

In addition, R.M.Williams is available at more than 900 stockists around the globe and exports to 15 countries, comprising of Germany, Italy, Switzerland, Sweden, France, Denmark, United Kingdom, United States, Canada, New Zealand, South Africa, Saudi Arabia, New Guinea, South Korea; and New Caledonia.

Our subsidiary, R.M.Williams Publishing is responsible for the creation and distribution of the R.M.Williams bi-monthly magazine, R.M.Williams Outback. Our head office is in Sydney, New South Wales, and our primary manufacturing facility is based in Salisbury, South Australia.

Our people

Our people are the foundation of R.M.Williams. As such, we aim to create an environment where our people are supported and fulfilled within their role. The global R.M.Williams team works in a diverse range of roles across our workshop, head office, distribution centres and retail stores.

Further employee numbers are set out in the table below (numbers current at the close of the reporting period).

Table 2.

Full-Time	710
Part-Time	140
Casual	193
Contract	2
TOTAL	1045

Our supply chains

R.M.Williams has direct procurement for materials and finished goods, including both domestic Australian and international sourcing, and indirect procurement for operational needs such as maintenance, logistics, marketing, financial and data services, and other professional services. Our primary manufacturing facility is in Salisbury, South Australia, and more than 65 percent of all revenue is generated from this location. We remain committed to expanding and nurturing our Australian manufacturing facilities and suppliers.

Direct procurement

Our direct procurement includes the raw materials, components, and finished goods for our products, including (but not limited to):

- Footwear leather
- Raft leather
- Footwear components
- Garment fabric
- Headwear
- Socks
- External garments
- Packaging including boxes and swing tags
- Threads; adhesives
- Chemicals, craft items; and
- Garment zips, burrs, rivets and fittings.



Our material and finished goods supply chains include around 90 Direct suppliers. The details of our direct suppliers for materials, other inputs, and finished products, remain publicly available on our website. This includes the supplier's names and addresses.

For a list of our suppliers please view the PDF on this [link](#).

Raw material & components supply chains

Core supply chains for R.M.Williams include leather, woven and knitted fabrics, footwear components, and clothing sundries along with packaging materials.

In addition to our strong network of local product sources, material inputs originate from 26 overseas countries, including Argentina, Bangladesh, Brazil, China, France, Germany, Hong Kong, India, Italy, Madagascar, Malaysia, Mauritius, Mexico, Morocco, New Zealand, Pakistan, France, Portugal, South Africa, Spain, Sri Lanka, Taiwan, Turkey, United Kingdom, United States and Vietnam.

Finished good supply chains

Finished items are procured across the following categories:

- Clothing i.e., shirts, bottoms, knits, outerwear and headwear;
- Footwear i.e., boots and casual footwear; and
- Craft Items i.e., belts, bags and wallets.

We have established longstanding relationships with both our local suppliers and several overseas manufacturing partners, including those in China, Vietnam, Madagascar, Portugal, Bangladesh and Pakistan. We believe our long-term supplier relationships enable our ongoing ability to carry out onsite independent auditing activities, including during the reporting period.

Indirect procurement

We also engage a range of suppliers that support our operations such as maintenance, logistics, marketing and advertising, financial and data services, and other professional services.



Actions taken to assess & address modern slavery risks

We have a multi-step process for modern slavery risk management:

1. Governance: Maintain strong governance including policies, contractual requirements, oversight and external collaboration.
2. Supply Chain Screening: Conduct a full screening of our supply chains to identify industry categories and geographies with elevated industry risk.
3. Direct Supplier Engagement: Send self-assessment questionnaires to high-risk suppliers, and conduct independent, third-party onsite auditing of all direct raw material and finished goods suppliers.
4. Remediation Processes: Develop Corrective Action Plans where non-compliance is identified and work with supplier to ensure completion of Corrective Action Plans.
5. Training & Collaboration: Conduct internal training, external supplier training, and external collaboration to ensure we're contributing to and benefiting from best practices to assess and address modern slavery.

1. Governance

Our overarching governance model for modern slavery issues has not changed significantly since the last reporting period.

Summary of internal roles and responsibilities:

Board of Directors:

Ultimate oversight of R.M.Williams' risk management, including our modern slavery risks and response.

Modern Slavery Committee:

Responsible for discussing modern slavery risks, incidents and responses. Responsible for establishing and implementing our 3-year Modern Slavery Plan and monitoring our progress across reporting periods. The Committee continues to engage external subject matter experts to provide advice and assistance with our modern slavery response.

Tattarang Modern Slavery Working Group:

An open and transparent forum to ask questions, raise concerns, make suggestions, share best practice and learnings across industries.

Legal Team:

Remains responsible for ensuring our modern slavery related policies and contracts reflect our commitments to combating modern slavery and are compliant with our legal obligations.

Human Resources Team, Procurement Team and Compliance Team:

Implementing modern slavery risk management into existing business processes and systems. Ensuring that all relevant policies and procedures are followed.

All employees, contractors and suppliers working for, or on behalf of, R.M.Williams:

Identifying, preventing and addressing modern slavery risks.

Policies

Key policies and legal frameworks that were comprehensively described in our previous two statements remain operational across all aspects of our business. These include:

- **Anti-Slavery Policy.** Our commitment to reducing the risks of modern slavery in our business operations and supply chains, and to managing incidents where they might occur, is outlined within our Anti Slavery Policy.
- **Supplier Agreements.** Our Supplier Agreement stipulates the terms and conditions required to be a supplier and was updated during the reporting period to include contractual provisions relating to modern slavery.
- **Supplier Ethical Code of Conduct.** Our Code sets out our performance and behavioural expectations for our suppliers and was updated during the reporting period to include modern slavery considerations.
- **Whistleblower Policy.** Our Whistleblower policy encourages employees, contractors, suppliers and customers to raise concerns of suspected unethical, illegal or fraudulent conduct. The policy provides protection for whistleblowers so they feel safe to disclose any malpractice, misconduct.
- **Anti-harassment and Bullying Policy.** The Anti-harassment and Bullying Policy ensures all staff are treated and treat other with dignity and respect, free from harassment and bullying. It helps foster an environment in which our staff are comfortable to say something, if they see something.
- **Code of Conduct.** Our Code of Conduct provides advice and guidance on how our employees, contractors, consultants, and board members should conduct business, ethically, and in accordance with all applicable laws, regulations and policies.

All policies are available to employees via the internal R.M.Williams' portal.

Supplier onboarding

R.M.Williams' comprehensive onboarding process engages new vendors at both a corporate and factory level. This onboarding process is also mandatory for all existing suppliers.

As part of our onboarding process, suppliers are required to disclose the following information to help us determine their appetite and awareness of engaging with modern slavery issues:

- If the vendor has policies prohibiting forced labour.
- If the vendor has policies expressly disavowing child labour.
- Whether the vendor has a remediation policy.
- If the vendor is compliant with other human rights related concerns, such as providing freedom of association with unions, maintaining safe work sites, providing minimum wage standard, ensuring that working hours are in accordance with local laws, and implementing a recruitment policy commitment for migrant workers.
- Determining whether the vendor is agreeable to complying with R.M.Williams code of conduct, to the extent that they would publish the Code on their factory floors.
- Details of any social initiatives that the vendor participates in.
- Information about any subcontractors the vendor utilised, including contact details of the subcontractor.

We also request that our individual supplier factories provide us with a registration and capability assessment, which provides us with the following additional information:

- The workforce composition, including the number of migrant workers, non-local workers and non-English speaking employees.
- The formal accreditations or certifications of the factory.

Existing supplier arrangements

Significant developments in relation to supplier arrangements include:

All of R.M.Williams' direct suppliers have now executed terms of agreement that specifically address modern slavery issues and have agreed to be bound by our Supplier Ethical Code of Conduct. The Ethical Code of Conduct covers principles such as: legal and ethical business practices; child labour; forced labour; hours of work; freedom of association and collective bargaining; healthy and safety; non-discrimination; harassment; women's rights; subcontracting; monitoring and compliance; informed workplace; worker residence; facility security; and environment.

Our standard terms of engagement, which are being adopted by an increasing number of suppliers (including beyond Tier 1), now require confirmation that all Tier 2 suppliers have an active and effective grievance mechanism in place.



2. Supplier screening

We have continued to use FairSupply's risk assessment tool this reporting period to assess elevated modern slavery risk in our operations and supply chains. Mapping company spend data to global input-output flows, FairSupply uses proprietary technology to trace the economic inputs required to produce products and services sourced from Tier 1 suppliers to Tier 2 suppliers, Tier 2 suppliers to Tier 3 suppliers, and so on, all the way to Tier 10 suppliers of R.M.Williams' supply chains.

The findings from this screening are in Table 3 in the Modern Slavery Risks section below.

3. Direct supplier engagement

R.M.Williams is committed to building deeper relationships with our suppliers to maximise positive impact on the most vulnerable individuals in our supply chains. We believe authentic engagement with our direct suppliers - including site visits, a supplier ethical code of conduct, Self-Assessment Questionnaires, On-Site Auditing and Corrective Action Plans - is the most effective way to leverage our commercial relationships and influence to reduce the risk of modern slavery in our supply chains.

This supply chain mapping was performed using a balanced, global Multi-Regional Input-Output (MRIO) table which links supply chain data from 190 countries, and in relation to 15,909 industry sectors. This MRIO table is assembled using the following sources:

- The United Nations' (UN) System of National Accounts;
- UN COMTRADE databases;
- Eurostat databases;
- The Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and
- Numerous National Agencies including the Australian Bureau of Statistics.

Third party auditing of direct suppliers

A significant feature of the modern slavery due diligence described in this year's statement is an extensive process of independent, third-party onsite auditing.

As at the time of lodging this statement, more than 95% of our direct suppliers have been audited as part of our due diligence process.

We have partnered with leading international facilities auditor, QIMA, to complete the audits which included on-site inspections of factories and other supplier facilities in the following countries:

- Portugal
- Italy
- South Africa
- Brazil
- India
- Vietnam
- Spain
- Germany
- China
- Pakistan
- Australia
- Madagascar
- France
- Bangladesh
- Mexico

The findings from these audits are in tables 4 and 5 in the Modern Slavery Risks section below.

The MRIO is then examined against the following international standards:

- The UN Guiding Principles on Business and Human Rights;
- The Global Slavery Index;
- International Labour Organisation (ILO) Global Estimates of Modern Slavery; and
- The United States' Reports on International Child Labour and Forced Labour.

A proprietary algorithm has then been applied to synthesise publicly available risk data against the exclusively licensed MRIO table. The result of this process is the creation of a modern slavery risk profile to Tier 10 for R.M.Williams suppliers.

4. Remediation processes

Where the QIMA audits identify non-compliances, tailored supplier questionnaires and other supplier engagement is conducted. Each audit report includes a Corrective Action Plan (CAP), with practical steps for rectification, clear objectives and timelines for improvement. We set a date for the re-audit of suppliers with non-compliances.

We recognise that partnering with a non-compliant supplier to remedy issues is generally preferable to terminating the supplier relationship due to modern slavery or human rights-related issues. Termination can generate further vulnerabilities for at-risk and exploited employees that are victims of modern slavery and virtually eliminates our ability to influence supplier behaviour.

However, despite the obvious downside, discontinuance of the supplier relationship is sometimes a necessary measure of last resort. Refer to the section on risks identified for an example of our action on this.

5. Training and collaboration

Internal education and training

In our last statement, one of the identified priority areas involved expanding the nature and extent of internal training measures. Our internal education and training aims to ensure that the organisation-wide level of awareness of modern slavery issues is appropriate to our operating context, key supplier risk areas and overall modern slavery risk profile.

During the reporting period, a bespoke modern slavery training course was undertaken by 826 employees.

Our bespoke modern slavery training course is completed as a mandatory component of the induction process for all new administrative and retail management employees, and store managers and assistant store managers. A knowledge/applied aptitude test is completed in the final training module to support information retention and participant engagement. We also have an annual modern slavery refresher training to ensure staff are constantly aware of modern slavery risk and how it relates to their day-to-day responsibilities.

Provision of educational & training resources to our suppliers

In connection with the third-party audits, we are creating a 'Supplier Training Pack' to provide our suppliers with learning modules and other capacity building resources. This will support and assist these organisations in understanding the level of transparency required to effectively address (and, where necessary, remediate) modern slavery issues.

As at the time of lodging this Statement, R.M.Williams is in the process of packaging current training modules with tailored communications to high-risk audited suppliers. This will include monitoring capability in relation to the completion of training modules by these suppliers.

Working groups and industry collaboration

R.M.Williams is a listed member of the internationally recognised Leather Working Group.

The Leather Working Group is a globally collaborative not-for-profit industry group that works to improve the sustainability of the global leather industry through supply chain audit.

Members of R.M.Williams' executive and governance team continue to work with the Tattarang Modern Slavery Working Group which includes members of Minderoo Foundation's Walk Free Initiative.

Our Tattarang Modern Slavery Working Group meets monthly to discuss, assign responsibilities, and monitor progress relating to our areas of focus: governance, risk assessment, risk management, training & collaboration.

Modern slavery risks identified

Summary findings

No actual or suspected instances of modern slavery were identified in our operations or supply chains over the current reporting period.

Our audits and due diligence identified a range of non-compliances which increase the risk of modern slavery. These included excessive or unpaid overtime, inadequate time off, and minimum wage breaches. We are working with all suppliers with non-compliances to take steps to address these risks and provide remedy to workers through corrective action plans.

We continue to be aware of the inherent risks modern slavery in global apparel supply chains and remain vigilant and committed to proactively identifying and mitigating risk.



Risks identified in our supplier screening

Table 3.

Findings from Supplier Screening

Key risk/s	Description of risk/s and response
<p>Wearing apparel/textiles from Pakistan</p> <p>Leather and leather products & rubber and plastic products from Pakistan</p>	<p>Based on our industry-geography screening, Pakistan is an inherently high-risk country for modern slavery.</p> <p>In line with our due diligence process, our supplier in Pakistan underwent a third-party (QIMA) independent audit during the reporting period (see detailed description below). No modern slavery non-compliances were detected. With this positive confirmation that modern slavery risks for our direct supplier are being appropriately mitigated, our response focus will now shift to identifying, assessing and addressing risks relating to that supplier's suppliers (i.e. 2nd tier).</p> <p>We remain committed to continuing our partnerships in this space with the Leather Working Group.</p>
<p>Textiles and apparel in Bangladesh and Madagascar</p>	<p>In addition to the inherent risks associated with the global textiles and apparel industries, both countries have elevated risks.</p> <p>Suppliers in both countries underwent third-party (QIMA) independent auditing (including on-site inspection and worker interviews) during the reporting period.</p> <p>Whilst a 'critical' non-compliance was identified by the auditor in relation to one of these suppliers, further investigation ultimately revealed that the issue was not an indicator of actual modern slavery (nor an unacceptably high risk) but was instead an oversight in relation to a newly commenced employee. Follow up investigation, including review of payslips and other documents, confirmed the nature of the issue and that it had been satisfactorily resolved.</p>
<p>Apparel products in India</p>	<p>India has long been assessed as having a high prevalence of modern slavery, with an estimated 6.1 victims for every 1,000 of the population with approximately 8 million people in conditions of modern slavery. This geographic risk, combined with the manufacturing focus of the leather goods industry, which has a low barrier to entry for vulnerable workers, has led to this elevated risk.</p> <p>This is compounded by a reliance upon the livestock and agricultural industry, typically at Tier 2 or 3 of the supply chain. These agricultural based industries are recognised as being some of the most hazardous and unregulated industries, where forced labour and debt bondage are commonplace. There is risk of instances of workers trapped in remote farming areas, unreasonably indebted to their employer for accommodation and food.</p> <p>Indian suppliers in this reporting period underwent third-party (QIMA) independent auditing (including on-site inspection and worker interviews). No relevant non-compliances were detected.</p>

<p>Textiles & apparel in China</p>	<p>Human rights abuses allegedly experienced by Uyghur and other minority groups in the Xinjiang Autonomous Uyghur Region (XUAR) have been widely documented. R.M.Williams understands that there is compelling evidence that state-backed forced labour is used in factories in XUAR. The goods produced in these factories reach global supply chains and have been connected to more than 80 well-known global brands in the apparel, technology, automotive and solar sectors.</p> <p>R.M.Williams is aware of the linkage between cotton and alleged forced Uyghur labour schemes. In response we have begun comprehensive tracing on our cotton supply chains and have not become aware of any cotton products being sourced from XUAR.</p> <p>As we have undertaken tracing of our cotton products and consulted with experts undertaking our external audits it is apparent that carrying out supply chain audits in the region is extremely difficult. In addition, often suppliers will outsource work which as at risk of being linked to XUAR forced labour programmes.</p> <p>In response to this risk, R.M.Williams will restrict subcontracting and outsourcing for Chinese suppliers. In addition, we have begun to source more cotton from lower risk countries such as Australia.</p>
<p>Leather tanneries</p>	<p>We are aware of the modern slavery risks posed by leather tanneries. This industry is heavily reliant upon migrants who may be more vulnerable to exploitative practices than local employees due to deceptive recruitment practices which can lead to debt bondage; their immigration status; a lack of familiarity with the language, their rights and local laws; discrimination; and families that rely on them to send wages home, increasing pressure to stay. There are also health risks from the use of hazardous chemicals to process hides. To address these risks, we have committed to sourcing all hides from Gold rated Leather Working Group tanneries by 2025.</p>

These areas represent elevated assessed modern slavery risks in Tiers 1 and 2 of our supply chains. Accordingly, we have focused on comprehensive onsite auditing activities as a key part of our due diligence efforts. Our product lines, retail presence and suppliers have all remained stable across reporting periods, with no substantial changes in these key areas that alter our overall modern slavery risk.

We also screened our full set of indirect procurement suppliers (e.g., maintenance, logistics, marketing, advertising, financial & data services, professional services) through Fair Supply’s risk assessment tool. We found no high-risk suppliers in this screening. Given the elevated risks in the apparel industry we’ve focused our due diligence efforts on our direct procurement.



Risks identified through our supplier engagement

We have conducted third-party independent of over 95% of our direct raw materials and finished goods suppliers. Twenty-one of the QIMA-audited suppliers did not have any relevant non-compliances identified that were indicators of increased modern slavery risk. Our single direct supplier in Pakistan is one of the QIMA-audited suppliers where zero non-compliances were detected. This is an important outcome given the risk assessment findings outlined earlier in the statement and the inherent modern slavery risks associated with the geography.

However, our audits during this reporting period did identify a range of non-compliances which increase the risk of modern slavery. These included, excessive or unpaid overtime, inadequate time off, and minimum wage breaches compliances that may relate to increased modern slavery risk in the following countries: Turkey, China, Madagascar, Mexico, Spain and Bangladesh. We are working with all of these suppliers to take steps to address these risks and provide remedy to workers through corrective action plans.

The critical and major non-compliances are set out in tables 4 and 5 on the following pages.

We also acknowledge the limitations of planned audits and are continuing to strengthen our supplier relationships and increase visibility.

Table 4.

QIMA Audit Results - Nature of Critical Non-compliances Identified

Supplier industry category	Nature of identified non-compliance
Textile, Apparel, Footwear & Accessories	<p>Based on management and worker interviews and document reviews, minimum wage could not be verified. The factory appeared to separately record official wage declarations to government agencies (social security institute) and real wages which are paid to workers.</p> <p>The proper payment of overtime premiums also could not be verified due to what appeared to be operation of a 'double booking' payroll system.</p> <p>Possible violations of local labour laws.</p>
Bodycare, Fashion & Accessories	<p>Indications that the factory had failed to pay minimum wage to a segment of its workforce. Based on 10 selected sampled workers in the current month and two earlier (random) months, the factory did not meet the applicable minimum wage for all sampled workers.</p> <p>Possible violations of local labour laws.</p>
Garment	<p>A contractual term in sampled workers employment agreement appeared to indicate an obligation to perform 'compulsory' overtime hours without a corresponding rate of remuneration.</p> <p>Upon further investigation it was confirmed that the issue was not an indicator of actual modern slavery (nor an unacceptably high risk) but was instead an oversight for a new employee. Follow up investigation, including review of payslips and other documents, confirmed the nature of the issue and that it had been satisfactorily resolved.</p>



Table 5.

QIMA Audit Results - Major Non-compliances Identified

Supplier industry category	Nature of identified non-compliance
Textiles	A small portion of employees sampled were found to have working hours exceeding 60 hours per week (40 hours as normal working hours and 20 hours as overtime).
Textile, Apparel, Footwear & Accessories	Workers are not assigned overtime on a purely voluntary basis. Individual employment agreements appeared to indicate that overtime may be mandatory.
Textile, Apparel, Footwear & Accessories	Written and signed employment agreements do not appear to have been provided to all workers.
Textile, Apparel, Footwear & Accessories	Employment conditions were not specified in written employment agreements. An absence of written employment contracts for longer-term employees.
Bodycare, Fashion & Accessories	It appeared that insufficient overtime rates may have been paid to part of the workforce.
Bodycare, Fashion & Accessories	Insufficient social insurance coverage was detected for a number of employees out of a random sample of social insurance receipts.
Garment	The monthly overtime hours of randomly selected employees appeared to have exceeded the maximum permissible amount under local labour law requirements.
Garment	Randomly selected employees appear to have worked for more consecutive days without the required day off.
Textile, Apparel, Footwear & Accessories	There appeared to be some wage information absent from some workers' employment contracts.
Textile, Apparel, Footwear & Accessories	There appeared to be a failure to provide regular pay slips to employees.
Textile, Apparel, Footwear & Accessories	Deductions could not be verified due to the 'double booking' payroll (see 'Critical' Non-compliance, above).
Textile, Apparel, Footwear & Accessories	Based on document review and worker interview there are potential issues with the facility's annual leave encashment procedures not being fully compliant with local labour laws.
Accessories	Site appears to allow employees to work on Saturdays but pays leave on regular working days instead of paying as overtime. This is on a purely voluntary basis by employees.



Remediation processes completed and underway

Each audit report obtained included a Corrective Action Plan (CAP), which identified practical steps for rectification, clear objectives and timelines for improvement. A date has been set for the re audit of those suppliers where QIMA is working with suppliers to address non-compliances.

During the reporting period, we took the extraordinary step of discontinuing a supplier relationship with an apparel manufacturing company based in Hong Kong. This decision was based on the degree of modern slavery risk and a large number of non-compliances relating to health, safety & hygiene. Identification and existence of this risk was not the determining factor upon which our decision was based, rather that our due diligence determined that insufficient mitigatory measures were in place. This was compounded by the conclusion that there was no real prospect of meaningful improvement in the foreseeable future. The former supplier failed to demonstrate that they can deliver on corrective actions.

Auditing of our direct operations: living wage audit

We recognise the payment of a Living Wage as a critical tool in the fight against Modern Slavery. We have started, and will continue to, expand our audits beyond Modern Slavery measures to address a full Living Wage. We have started with our own operations.

Given the strict regulatory environment, expansive employment protections and location of our own and operated facilities, our modern slavery risk remains low. However, to ensure that our modern slavery response continues to be a holistic and leading one, we are expanding our focus to Living Wages. We have completed a Living Wage Audit for all R.M. Williams employees in Australia, United States, United Kingdom and New Zealand.

The purpose of this audit was to ensure that worker remuneration in our operational locations is sufficient to afford a decent standard of living for workers and their families.

The living wage audit was designed to ensure practical implementation of our acknowledgment that a living wage is recognized as a 'right' by international instruments such as the UN Declaration of Human Rights and the ILO Preamble.

The approach taken in each jurisdiction drew upon geographically specific expenditure data and the minimum expenses within a family related to the following:

- Food costs per month for a single worker.
- Housing costs including: Rent for acceptable housing; utilities; minor repair.
- Transportation.
- Healthcare.
- Other basic necessities and funds for emergencies.

The audit findings confirmed that, at all locations, our remuneration packages are more than sufficient to meet the calculated living wage for that locality.

At the time of lodging this statement we are midway through a living wage gap analysis for our Tier 1 factory workers. Once the analysis is complete, we will set a public roadmap toward payment of living wage to Tier 1 factory workers.

Measuring effectiveness

An important measure for transparency in our overall modern slavery response continues to be ensuring continuous improvement between reporting periods. This involves providing detailed information on those areas where we have been able to effectively implement key performance indicators, and those where this has not yet been achieved.

As we have described above, a major focus area for this reporting period was onsite and comprehensive auditing, via an independent third-party auditor. Having embraced this approach, and because

the audits were a more effective way to creating meaningful impact, some of the areas that we flagged as intended for this reporting period have not been carried out. However, we acknowledge that pre-announced audits have their own limitations and drawbacks, which is why we will work to conduct deeper due diligence in the next reporting period.

Area of focus	Improvement initiative	Planned action for this reporting period (FY22)	Progress
Governance	Strengthen and implement modern slavery policies	<ul style="list-style-type: none"> Review and identify areas for further improvement in our policies and contracts. 	Completed.
		<ul style="list-style-type: none"> Assign responsibilities to an individual / function to track and follow the progress against the Ethical Sourcing Program. 	Completed.
		<ul style="list-style-type: none"> Finalise the Modern Slavery Action Plan and begin rolling it out across the business. 	In progress.
		<ul style="list-style-type: none"> Draft an Ethical Sourcing Roadmap, outlining how ethical sourcing will be implemented throughout its business operations and supply chain. 	In progress.

Area of focus	Improvement initiative	Planned action for this reporting period (FY22)	Progress
<p>Risk Assessment</p>	<p>Conduct deeper due diligence on high-risk suppliers</p>	<ul style="list-style-type: none"> • Identify priority actions for high risk/high spend suppliers to implement and continue to develop relationships. • Implement the risk based, due diligence process and screening mechanism within the procurement process. • Roll out audit program across 10% of our suppliers. <p>As part of the ethical sourcing program:</p> <ul style="list-style-type: none"> • Draft a risk-based, due diligence process. • Develop a risk based audit program. • Engage with five high risk suppliers and conduct audits to verify Supplier Assessment Questionnaire (SAQ) results. <p>Undertake specific due diligence and risk assessment in relation to our supplier operating with the cleaning industry.</p> <p>Issue the bespoke SAQ’s developed in FY21 to capture our supplier’s understanding of their own supply chain, their internal governance approach to modern slavery and the existence of grievance measures and supplier engagement. We will assess all responses.</p>	<p>Completed.</p> <p>Completed.</p> <p>Completed & exceeded (rolled out audit program to 95% of our suppliers).</p> <p>Completed.</p> <p>Completed and Exceeded.</p> <p>Completed.</p> <p>Completed.</p> <p>Completed.</p>



Area of focus	Improvement initiative	Planned action for this reporting period (FY22)	Progress
Risk Management	Enhance supplier management processes	<ul style="list-style-type: none"> Roll out supplier management system to ensure suppliers require their suppliers to have an effective grievance mechanism. Develop and rollout modern slavery and human rights training to major suppliers where and when required. 	<p>In progress.</p> <p>In progress.</p>
Training & Collaboration	Improving our networking and industry collaboration	<ul style="list-style-type: none"> Join an industry body, or similar, to improve our modern slavery strategy. Deliver a tailored Modern Slavery Training Program for those responsible for implementing modern slavery controls, i.e. our Procurement and Compliance Team and Our Human Resources Team. Develop and implement quiz to test knowledge on module. Identify opportunities for industry collaboration to improve our modern slavery program. 	<p>Completed.</p> <p>Completed.</p> <p>Completed.</p> <p>Completed.</p>

In order to maintain a strong due diligence system and ensure that modern slavery risks are being identified, managed and remedied, we regularly assess the effectiveness of our systems and processes.

The following processes will continue to remain for the ongoing monitoring, review and assessment of the effectiveness of our actions:

- Regularly reviewing our risk assessment processes, especially when commencing operations in a new country or region or when engaging a new supplier;
- Facilitating regular engagement and feedback between key areas of the business via the Modern Slavery Committee;

- Tracking the actions taken and measuring their impact - for instance, the percentage of staff that have received modern slavery training; the percentage of suppliers that have been vetted; and
- Reviewing any modern slavery issues that have been reported to either the Sourcing or Compliance Teams and review how those issues were handled.

R.M.Williams remains committed to a continuous improvement approach and continues to treat our modern slavery response as an integral feature of our broader environmental social and governance (ESG) strategy.

Consultation with owned & controlled entities

This statement has been prepared by R.M.Williams' centralised corporate function in consultation with senior leaders, staff, and directors of R.M.Williams, and all our owned and controlled entities.

Our owned and controlled entities have been involved in all the activities undertaken by R.M.Williams to identify, address, and mitigate modern slavery risk within their operations and supply chains.



Crafted for life

R. M. WILLIAMS

EST. 1932, AUSTRALIA