



OUTLAND DENIM

2021 Voluntary Modern Slavery Statement

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STATEMENT OF VOLUNTARY ADMISSION

This Statement has been published in accordance with the Modern Slavery Act 2018. Outland Denim Pty Ltd has chosen to produce a voluntary statement in support of all organisations actively seeking and working to address issues of modern slavery in their supply chains. This Statement explains the risks of modern slavery present in the Outland Denim supply chain and outlines the approaches currently taken to address modern slavery. This Statement relates to our fiscal year that commenced on 1 July, 2020, and ended 30 June, 2021.

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Photo by @samjiampphoto_

1. ABOUT US

1.1 Chief Executive Officer's Message

Ten years on from the establishment of the UN Guiding Principles on Business and Human Rights in 2011, the same year I began laying the foundations for Outland Denim, it is quite clear that we still have a way to go. It is unconscionable that 40.3 million people remain trapped in modern slavery¹, 16 million in the private sector, and that many more remain vulnerable to its trappings as a result of COVID-19 and poverty.^{2,3}

Our business model is designed to support people out of modern slavery and vulnerability through investment in training, life skills acquisition, economic empowerment and opportunity for career progression, and we know by hearing the stories of our seamstresses that employment with Outland Denim can be truly transformational.

Beyond meeting the minimum of human rights, our desire is to create a world in which people who are left behind (who you might say have a "human rights deficit") are welcomed onto the playing field and given the tools and resources that they need to create lives of their own choosing. This means not only "mitigating" human rights abuses, such as modern slavery, but directly and decisively addressing modern slavery through good business.

Fashion is one of the top five most exploitative industries on the planet coming second behind technology.⁴ The Global Slavery Index's 2018 report, published by the Walk Free Foundation, states that \$127.7 billion worth of garments at risk of including modern slavery in their supply chain are imported annually by G20 countries, a group of nations which account for 75% of world trade and 80% of the world's GDP.⁵

The Index reveals that every year Australia alone imports over \$US4 billion worth of clothes and accessories at risk of being tainted by modern slavery.

Fashion is a labour intensive industry with many contributors down the value chain. Slave labour hides within complex, opaque global fashion supply chains, from the cotton fields to the mills, dye houses and factory floors, which means many brands are complicit in exploitation.

¹ [Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, Geneva, September 2017.](https://www.unodc.org/documents/human-trafficking/2021/The_effects_of_the_COVID-19_pandemic_on_trafficking_in_persons.pdf)

² www.unodc.org/documents/human-trafficking/2021/The_effects_of_the_COVID-19_pandemic_on_trafficking_in_persons.pdf

³ www.sydney.edu.au/content/dam/corporate/documents/faculty-of-science/research/physics/covid-and-modern-slavery.pdf

⁴ www.globallslaveryindex.org/2018/findings/importing-risk/g20-countries/#footnote:4

⁵ www.oecd.org/g20/about/

Deep diving into a supply chain can be paralyzing for fashion brands: there are so many layers to consider beyond the Tier 1 factories, and it is uncomfortable when what is found isn't in keeping with a brand's image. In 2021, Outland Denim was proud to share that we now know the complete journey of our denim's cotton from Tier 1 (production) to Tier 5 (the cotton seed). But this has meant facing uncomfortable truths as much as celebrating our efforts.

The launch of our "Sağ Salim" program in partnership with Precision Solutions Group (PSG), Sydney, initially to supply information regarding COVID-19 to vulnerable temporary seasonal workers, has deepened our understanding of the reality for people working at the farm level of fashion supply chains through hearing their voices and experiences.

One farm worker said: "We don't have time to complain. We just work, sleep, go back to work and back to sleep." And another, "We are treated only slightly better than slaves. With low wages, no insurance, we are susceptible as they [the employers] will do whatever they can to exploit you."

While this particular program covered a farming region wider than the farms in Outland Denim's supply chain, the results are worrying. Other workers told of lack of access to water, dangerous commutes, wage discrimination, and lack of PPE.

This has helped us to face the idea that even though our own factories are monitored for high standards, people are still suffering under slavery or slavery-like conditions further down the chain in the fields. Our desire is to see this enduring due diligence program implement further remediation activities with like-minded partners, and expand across our full supply chain.

It is estimated that one in eight of the world's working adult population - about 430 million people - works in the fashion industry, from growing cotton crops to sewing garments. However, it is estimated that 181 million people involved in the industry - just over 2.2% of the world's population - are in vulnerable, or insecure, work.⁶

This means a large population of people who are vulnerable to worker exploitation or, at worst, slavery.

Simply by investing more in the supply chain, adding rather than detracting value from each step along the way, we can create an industry that is truly prosperous and not only in an economic sense but in a humanitarian one. When workers from the farm to the factory floor receive a living wage and other entitlements, their families and communities benefit. This much we know. And, in turn, the benefits lead to a healthier world in every respect.

We commend the Australian Government on its implementation of the Modern Slavery Act 2018, and also those companies who are leading the field in reporting and compliance as well as bettering the lives of others. We hope that in some small way that Outland Denim might encourage others to go beyond compliance to better the lives of the very people who are making our clothes, farming our food and ensuring we have the latest gadgets.

In this our first Voluntary Modern Slavery Statement (2021), we aim to shine a light on those areas where we believe our business could be causing modern slavery while also demonstrating how we are actively combating modern slavery in our business operations and supply chain, and the ways in which we seek to dig deeper until our full supply chain can be called exploitation free.

This Statement has been approved by our Directors on 23 November 2021.



James Bartle
Outland Denim CEO, Founder and Director



Malcolm Valler
Outland Denim Director

1.2 Outland Denim's Operations

Outland Denim Pty Ltd is a for-purpose private company founded in 2018 specifically with the purpose of providing women who have experienced, or at risk of experiencing, trafficking in persons⁷ and other forms of modern slavery with training, employment and career progression opportunities.

The Outland Denim Group consists of the trading entities Outland Denim Pty Ltd and Outland Denim (Cambodia) Co., Ltd. Outland Denim (Cambodia) Co., Ltd, is a 100% wholly-owned subsidiary of Outland Denim Pty Ltd. This structure allows us to manufacture, sell, market and distribute ethically made denim jeans and associated apparel globally under our own brand name (Outland Denim). It also allows us to manufacture clothing, apparel and associated goods for other brands through our Outland Denim (Cambodia) Co., Ltd subsidiary.

During the reporting period, we employed 141 staff across our Australian and Cambodian operations. Our head office is located on Tamborine Mountain, Queensland, and our two manufacturing facilities are located in Phnom Penh, Cambodia, and Kampong Cham, Cambodia. Our final goods are sent from Cambodia to Australia, and around the world, and warehoused before being distributed to wholesalers, retailers and customers. As a manufacturer and distributor of goods, we have a supply chain extending from India to Cambodia, Turkey to Australia. These suppliers provide us with material inputs, including denim and other fabrics, buttons, zips, rivets, patches and packaging.

As a company founded on grounds to not only mitigate but eradicate modern slavery, we are deeply invested in supply chain due diligence, and pride ourselves on maintaining strong supplier relationships while going the extra mile to dig deeper into the chain. We report on our supply chain activities via our annual [Impact Reports](#), as well as through our annual submission to the United Nations Global Compact. Our [supplier list](#) is also made public on our website. Our other anti-slavery activities include education and training, advocacy and collaboration across industry to bring greater consumer awareness to the issue and initiate change.

The Outland Denim Model

There is strong evidence that steady employment and a stable financial situation contribute positively toward the empowerment of survivors of modern slavery.⁸

We have spent 10 years developing our business model, designed to support people out of modern slavery and vulnerability through investment in training, life skills acquisition, economic empowerment and career progression while earning a living wage. These opportunities are facilitated through employment at our two manufacturing facilities located in Cambodia.

We know by hearing the stories of our seamstresses that direct employment with Outland Denim can be truly transformational. On an individual level, there is measurable positive change in education, health, housing, socio-economic standing and feelings of ambition, hope and empowerment. Staff have reported a low debt load, higher saving frequency, ambitions for their children, feelings of empowerment and detailed plans for the future.⁹

Where educational and economic opportunities are lacking, and the social environment oppressive or discriminatory, there is all the more justification for positive employment opportunities.



⁷ [Trafficking in persons: Describes the recruitment, harbouring and movement of a person for exploitation through modern slavery.](#)

⁸ www.bsr.org/reports/GBCAT_Business_Guide_on_Survivor_Empowerment_and_Employment.pdf

⁹ www.outlanddenim.com.au/blogs/news/outland-denim-x-the-rights-lab-nottingham-university



Photo by Cesar Lopez

Soboen's Story

"Before, my life was so difficult when I worked with the garment factory. But since I came to work with Outland I feel I love working here and the factory has a good policy and conditions for the employees. I have been able to share the education at Outland Denim with my family and my sister, who has a small child who's always sick, about good hygiene and healthy eating. I told them that I need to save money for my future too because I have learnt about how to manage money. I can send some money that I get from employment at Outland to my parents at home and also save some money for my future expectation. With education here, I believe that I can use it in my daily life as needed. I just want to say thank you so much to the people who buy and wear the jean or any Outland product. When you say Outland products are easy and soft to wear, you know I feel so proud and happy with what we make. Thank you for always support Outland products."

-Soboen*, Outland Denim (Cambodia) staff member, interview 22 May 2021

*Name has been changed to protect the privacy of our staff member as per Outland Denim's Media & Storytelling Guidelines informed by the Department of Foreign Affairs (Australia), The Australia Council for International Development (ACID) and the Ethical Storytelling initiative.

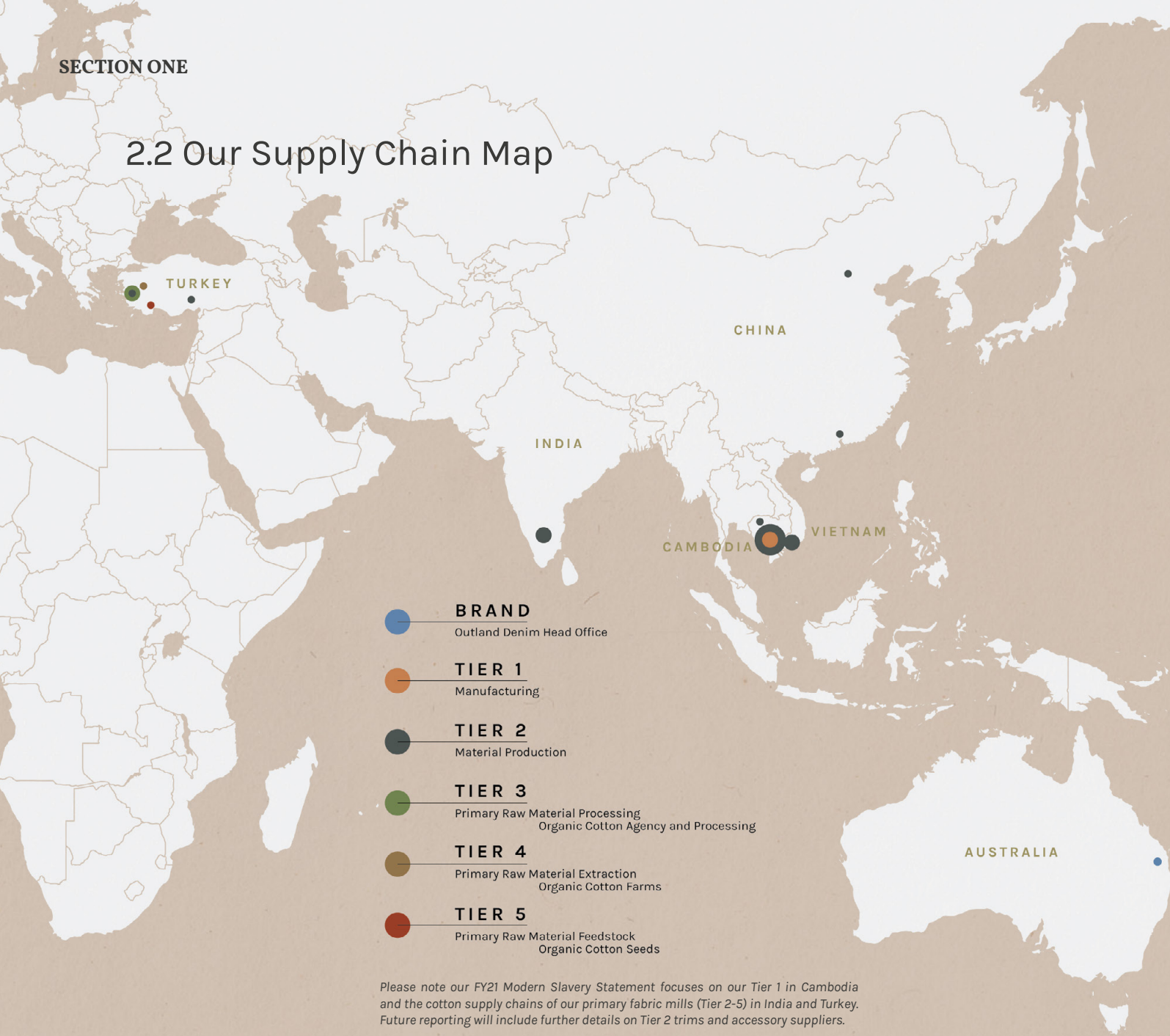
2. OUR SUPPLY CHAIN

2.1 The Garment Production Chain and Production Tiers Explained



Please note our FY21 Modern Slavery Statement focuses on our Tier 1 in Cambodia and the cotton supply chains of our primary fabric mills (Tier 2-5) in India and Turkey. Future reporting will include Tier 2 trims and accessory supply chains also.

2.2 Our Supply Chain Map



Please note our FY21 Modern Slavery Statement focuses on our Tier 1 in Cambodia and the cotton supply chains of our primary fabric mills (Tier 2-5) in India and Turkey. Future reporting will include further details on Tier 2 trims and accessory suppliers.

- TIER 1**
 Outland Denim Cut and Sew Facility
 LOCATION: Cambodia
 Outland Denim Wash and Finishing Facility
 LOCATION: Cambodia
- TIER 2**
 Primary Denim Fabric Mill
Denim
 Sourced: Bossa Denim
 LOCATION: Turkey

Primary RTW Collection Fabric Mills
Cotton Fabric
 Sourced: Kadeks
 LOCATION: Turkey

Cotton Fabric
 Sourced: Five P
 LOCATION: India
- TIER 3**
 In 2021, Outland Denim was proud to share that we now know the complete journey of the cotton in our denim, from Tier 1 (production) to Tier 5 (the cotton seed).

Cotton Agency
 Sourced: Agrona Tekstil
 LOCATION: Turkey

Cotton Gin and Baling Plant
 Sourced: Sökpam Pamuklu San Tic Ltd Şt
 LOCATION: Turkey
- TIER 4**
 Agrona - Organic Cotton Farms
 Sourced: 39 x organic cotton farmer's names and locations provided
 LOCATION: Turkey
- TIER 5**
 Agrona - Cotton Seed Supplier
 Sourced: Gokkusagi
 LOCATION: Turkey

3. HIGHLIGHTS: 2021 SLAVERY RISK MANAGEMENT INITIATIVES

Tracing Our Organic Cotton

This year, we celebrated a huge breakthrough in our traceability journey. After seven years of work, we marked 100% traceability of the organic cotton in our denim - we now know the complete journey of our denim from Tier 1 (production) to Tier 5 (the cotton seed). We believe that traceability (and then visibility) within supply chains is the first step toward mitigating and eradicating instances of modern slavery. Read more about our traceability processes on page 35 of our 2021 Impact Report [here](#).

Worker Voice Communications Program, Turkey

We believe that it is our responsibility to do what we can to not only support our garment makers, but every single person that has a hand in making our clothes. In May 2020, we developed the Supply Intelligence System in collaboration with Precision Solutions Group (PSG), Sydney, as an ongoing due diligence program addressing critical supply chain transparency challenges. Locally known in Turkey as Sağ Salim (meaning 'safe and sound'), this program covers multiple tiers of the supply chain (farms, gins, facilities, factories) over large geographic areas. Due to this, the program covers a wider region than just Outland Denim's own supply chain. Sağ Salim facilitates communications and worker voice directly by not relying on suppliers or facility managers. It has a special focus on the most vulnerable demographics in the region, such as migrant workers, and communicates in local and migrant languages. The initial pilot project sought to address some key issues in cotton supply chains.

These included:

- An undocumented and vulnerable labour force who are susceptible to human rights abuses;
- A lack of a direct communication channel between Outland Denim and the supply chain workers in southern Turkey;
- A lack of information on the cotton supply chain and how it conforms to international labour regulations and Outland Denim's own internal values and standards;
- A lack of information and health measures to protect the labour force from the global COVID-19 Pandemic.

With our knowledge that vulnerable workers deprived of basic worker rights are at risk of falling into slavery, the scope of the project has since grown to encompass providing educational content on human rights and ways to access support (ie. healthcare, visas), receiving communications from the target audience, sharing findings with stakeholders and implementing remediation activities. Outland Denim and Sağ Salim program partners have a vision to scale the program to cover additional sourcing regions for both input and raw material suppliers. Further information about how Sağ Salim works can be found [here](#) or in our 2021 Impact Report.



Agricultural Worker Story

"I am a farmer in Izmir, and I got your number from the Facebook page. Simply put, we face a lot of issues - poor salaries, no insurance, no water, and no transportation. The only thing employers care about is that you work, with what tools it doesn't matter - they exploit us. For example, we sometimes have to buy equipment to work with our money in order to work but they did not pay us back."

- Female agricultural worker, Izmir, Turkey, January 2021

Beyond Auditing: On-site Monitoring for Instances of Slavery

The industry now recognises the inadequacy of audits, site visits and certification programs to accurately identify and respond to human rights violations.^{10 11} With travel restrictions caused by COVID-19, businesses have had to think outside the box for new solutions to assure due diligence within their supply chains. In 2020, Outland Denim installed Floor & Field, a world-first human rights auditing technology in our production facilities. The program provides instant insight and monitoring into areas and ways to improve safety measures, detailed data on environmental impact, and offers a new level of accountability to ensure employee rights are upheld. Data cannot be manipulated by a brand or manufacturer, and is captured via Floor & Field. This provides heightened accountability, far beyond what is possible via a traditional audit process. Floor & Field was started by former Google employee Mike Crawford, a cofounder of reCAPTCHA. He developed the product for Outland Denim with Sean Burford, a digital security and electrical engineering expert. Both Mike and Sean are two time Area 120 Startup entrepreneurs (Google’s internal startup incubator). Their products aim to ensure businesses have the highest level of veracity for future compliance with anti-slavery laws, as well as providing environmental, safety, and efficiency benefits.

4. MODERN SLAVERY RISK ASSESSMENT

Outland Denim strives to reduce the risk of modern slavery as far as possible within our supply chains, however we acknowledge that unknown risks remain. We endeavour to actively find, assess and address these risks.

In 2020, risk assessments were carried out across our major supplying countries, as depicted in the following table.

Type	Locations	Main Risks Identified
Brand (Outland Denim)	Australia	Freedom of expression; migrant and temporary workers; child labour; gender-based discrimination; cultural diversity and discrimination.
Tier 1 - Final Stage Manufacturing (wholly owned by Outland Denim)	Cambodia	Freedom of expression; trafficking in persons ¹² ; forced labour ¹³ ; WHS; wage issues; gender pay gap; traveling to and from work.
Tier 2 - Textile Mills Tier 3 - Raw Material Processing Tier 4 - Organic Cotton Farms Tier 5 - Seed Supplier	Turkey	Trafficking in persons; child labour ¹⁴ ; treatment of migrant and temporary/seasonal workers; harassment within the workplace; women’s rights; wage concerns. Sağ Salim Due Diligence Findings: Wages, Legal Status, Health & Safety, COVID-19 protection, access to water.
Tier 2 - Textile Mills Tier 3 - Raw Material Processing Tier 4 - Organic Cotton Farms Tier 5 - Seed Supplier	India	Freedom of expression; trafficking in persons, child labour, use of migrant and seasonal/temporary workers, forced labour, informal labour, WHS

There are a range of factors, linked to purchasing practises, that can increase modern slavery risks in each of the above regions, including pressure to shorten delivery timeframes and reduce costs, short-term contracts, last-minute or short-term orders, and widespread subcontracting.¹⁵ Outland Denim believes our focus needs to be on the tiers furthest from our reach as a brand (i.e. farms), where 100% traceability is yet to be achieved across all suppliers. This is the most challenging part of the supply chain to gain clear information. This is partially due to the demanding and subcontracting nature of work in agriculture, and its low visibility.

¹⁰ www.business-humanrights.org/en/blog/is-the-auditing-and-certification-industry-fit-for-human-rights-due-diligence/
¹¹ www.eyonesg.com/2021/10/business-and-human-rights-the-case-to-look-beyond-social-auditing/
¹² [Trafficking in persons: Describes the recruitment, harbouring and movement of a person for exploitation through modern slavery.](#)
¹³ [Forced Labour: Describes situations where the victim is either not free to stop working or not free to leave their place of work. \(ibid\)](#)
¹⁴ <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>
¹⁵ theconversation.com/the-real-economic-victims-of-coronavirus-are-those-we-cant-see-133620

5. ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISKS: DUE DILIGENCE AND REMEDIATION PROCESSES

Supplier Procurement Process

Long-term relationships are in the best interest of Outland Denim, the supply partner and people that make up the supply chain. To ensure this, Outland Denim's sourcing team goes through several stages to assess a potential new supplier, with a focus on their transparency and willingness to be honest. We then seek to continually work with the supplier to identify gaps, improve standards and address risks as trust grows.

Outland Denim has an extensive supplier procurement process with four key steps, followed by risk assessments, evidence review, further questioning, and visiting facilities where possible. An extended version of these steps can be viewed [here](#). A focus going forward will be on our downstream supplier activities, particularly last-mile logistics, in addition to keeping abreast of international trade policies affecting upstream and downstream suppliers.

Suppliers' Code of Conduct

As part of completing the supplier procurement process, all suppliers must meet or exceed Outland Denim's Suppliers' Code of Conduct which has been set upon the foundations of The Ethical Trading Initiative Base Code, and, in turn, the International Labor Organization's Four Fundamental Principles and Rights at Work. The Code was updated early 2021 to include a Women's Rights section. View our Suppliers' Code of Conduct [here](#).

Responsible Purchasing Policy and Strategy 2021

This year, Outland Denim has implemented a more formalised Responsible Purchasing Policy based on the Ethical Trading Initiatives' Guide to Buying Responsibly. Records are kept and reported to a third party, to track % of orders that are paid on time (within 60 days) and the % of retrospective changes made to orders.

Direct employment: employment, training, education, living wages

Outland Denim's Cambodian Cut and Sew Facility was established as a direct response to the global issue of modern slavery, though this has extended to be inclusive of human rights abuses common to the fashion industry. Outland Denim strives to **provide training, education, meaningful employment, a living wage and medical support** to its workers. Our model works to minimise key factors that often contribute to exploitation and we commit to constantly develop and improve this model.

Outland Denim has created an internal system to assess the risk level of each employee who comes to work with us. As we interview and get to know the employees, we are able to learn

about their lives and collect data to better understand their experiences of exploitation, modern slavery and/or their level of risk to experiencing these outcomes. This process generates a score that guides Outland Denim on if the person is most likely from a background of low, moderate, high or extreme risk to exploitation.

Over the 2020/21 reporting period, we experienced a 50% increase in our Cambodian staff members. Of these, 20% of new employees applied to Outland Denim after having experienced job loss due to COVID-19; 17% reported experiencing trafficking and/or forced labour before coming to Outland Denim; 42% came from experiences of basic human rights violations; and 19% were previously paid less than a minimum wage. Additionally,

- 85% of surveyed employees¹⁶ were in the Moderate, High or Extreme risk categories when beginning their career at Outland Denim.
- 76% of surveyed¹⁷ employees have a reduced level of risk to exploitation after 6 months or more of employment, education and opportunities at Outland Denim.

Over a period of approximately two years our trainee staff enrol in a program of cross-training and upskilling to gain a deep knowledge in the areas of cutting, finishing, and sewing. With demonstrated proficiency, our seamstresses are given the opportunity to progress their careers to management and leadership roles.

Outland Denim strongly believes that education is a crucial part of the holistic approach required to combat the further exploitation of people. Our staff receive education in areas that will support their personal growth as well as their families and communities. Training includes: Literacy, Human Trafficking, Trauma Informed Care, Health and Safety, English, Social Compliance, and Leadership mentoring. Offering education on topics such as Human Trafficking and Trauma Informed Care brings justice to the oppressed and reduces vulnerability to exploitation in the first place. In late 2020, we opened our first Library and Education Centre, located on-site at our Production facility for the use and benefit of our team and their families. Please view our 2021 Impact Report [here](#) for more information.

COVID-19 Response

During the reporting period Outland Denim worked to combat COVID-19 and the negative impact on its employees through,

- Updating COVID-19 Response Policy for facilities and following the Cambodian Ministry of Labour's recommendations;
- Education and training sessions;
- Financial support for employees during suspension of operations;
- One-off payment of a COVID-19 relief bonus for employees;
- Providing emergency food relief packs for employees in restricted zones during temporary lockdowns.

All Cambodian employees have now had the opportunity to be fully vaccinated.

¹⁶ Data does not reflect the entire staff population. 69 (approximately 54% of employees) participants were surveyed to produce this data.

¹⁷ Data does not reflect the entire staff population. The change highlighted is only valid for the 26 participants (approximately 20% of employees) that had been surveyed through our recently updated system



Achariya's Story

"My previous workplace is vastly different from Outland Denim. I learned how to sew only one style at the prior location, and the style was always the same and basic. Outland Denim, on the other hand, educates all personnel in a variety of techniques. In particular, I am learning a lot of new models that I have never seen before. As much as I learn from my team, I'd still like to study more styles. My biggest achievement in the last six months was learning many new techniques from my supervisor and teams. I feel very grateful that I have changed and developed my position to now be a line leader!"

Achariya has been studying English at Outland Denim, which she then shares with her younger relatives. She's noticed an improvement with her Khmer Literacy and her English language level since working with Outland Denim.

"I think my life has changed after I got to Outland. I could earn and share some money to run my small business in my hometown, such as raising animals to make more profit.

Maybe one day my story and experiences could help others. I would like to share my story with everyone that used to be in a bad situation.

I want to express my gratitude to the entire management team, both in Cambodia and in Australia, for always providing great opportunities to those who strive to improve their skills.

Last but not least, I want to express my gratitude to all customers who have purchased our items. When customers buy more Outland Denim products, our Cambodian employees learn new styles, have more jobs, and contribute to improving their living standards."

- Achariya*, Outland Denim (Cambodia) staff member, staff interview October 2021

*Name has been changed to protect the privacy of our staff member as per Outland Denim's Media & Storytelling Guidelines informed by the Department of Foreign Affairs (Australia), The Australia Council for International Development (ACID) and the Ethical Storytelling initiative.

Compliance

Outland Denim adheres to ELEVATE's Responsible Sourcing Standard, a third-party code of conduct developed based on local laws, ILO conventions and is benchmarked against industry protocols. ELEVATE assessments are conducted every two years by external auditors at our Production facility. All our results and information is publicly available. Further information on the ELEVATE standard can be viewed [here](#).

Outland Denim also facilitates NGO visits from trusted partners, who have referred clients (typically survivors of trafficking) to Outland Denim for employment, to check on the overall care and wellbeing of their clients. In-person monitoring by Outland Denim Australia personnel also occurs on regular visits to the facility to check on worker wellbeing and assess the impact of the business model. These visits have included home visits to meet employee family members and assess living conditions, where invited by the staff.

Health and Safety

Healthcare

A lack of access to quality healthcare is a common precursor to families falling into debt and therefore increasing vulnerability to exploitation. In response, the Outland Denim Medical Clinic was established at the Cut and Sew facilities in Cambodia, with support from the Australian Government. Providing an international standard of professional health consultation, this investment has proven highly valuable in providing healthcare and education for our employees. Further examples of the Health Clinic in action can be viewed [here](#) on page 30 of our Impact Report 2021.

Travel

Outland Denim strategically chose to have its Cut & Sew Facility established in a rural province in Cambodia to create vital employment in a region where safe and sustainable options (especially for survivors of trafficking) are limited. This ensures travel time is limited, chosen by employees, and ensures women can remain living with their families.

Worker Voice

Outland Denim runs annual training on rights and grievances, and has placed clear and informative posters in our facilities to give numerous and diverse options to employees to make a grievance that are comfortable for them to use and in their own language. Grievance channels include: private meetings; worker representatives (Shop Stewards); HR line to call or text; grievance boxes; Whatsapp line to Head Office; and QR Code anonymous surveys. We regularly check with staff about their confidence and constantly collect data on preferred ways of communicating and adjust our processes accordingly. Grievances are immediately reviewed by HR in Cambodia, and the Head office in Australia also receives a copy. Steps are taken to find the best solutions for all parties concerned and to ensure employees that they are heard.



In November 2020 some members of the team at our Cambodian Cut and Sew facility launched a group protest against the local management team. Given that no member of our Australian management team could be on the ground at that time, we engaged key staff members via phone and video call conversations to gain an understanding of the grievances in order to formulate an appropriate, timely response. We engaged the Cambodian Ministry of Labour in the process and resolved the situation without major disruption to our full Cambodian staff over a period of three days. No staff member was penalised or ostracised for speaking up. The situation elevated our need for a more experienced senior management team that would handle grievances in a timely manner and a strengthening of our grievance policy to ensure staff knew they were heard. We have since appointed more senior leadership, a Cambodian HR Manager and additional channels for reporting concerns.

Gender Equality

Outland Denim has established policies for Gender Equality and Non-discrimination. A passion for gender equality and women's rights is why Outland Denim exists and our holistic model is our strategy to address discrimination and rights violations of women in the apparel industry. Our production facilities are now predominantly managed by female, Cambodian leadership.

Child and Forced Labour

Outland Denim exists to actively fight child labour through providing jobs, training and security to women vulnerable to modern slavery. We desire to see the cycle of poverty and vulnerability broken in the lives of our employees and in the lives of their children, so that their children do not have to experience the outcomes they did.

We provide these same opportunities to survivors of forced labour. Therefore, combating child labour and forced labour is an integral part of our company's core principles. Steps have been outlined in our Forced Labour, Child Labour and Child Protection Policy, to ensure that Forced Labour and/or Child Labour does not exist in any aspect of the manufacturing of our product, and if by chance, evidence of forced labour and/or child labour arises, appropriate steps are taken in line with our remediation plans, to resolve the issue and ensure the best outcome for parties involved.

Transparency

Outland Denim has included supply chain information for our 2nd tier (and beyond) suppliers publicly online under the Ethics page. We also display our list of suppliers in our annual [Impact Report](#). We are currently working to provide even greater transparency to our customers and the general public through the use of the Retraced platform. This platform will not only allow smoother supply chain management, but will also allow customers to virtually travel the supply chain, certifications, and sustainability attributes of their jeans from cotton seed to final product at the point of purchase.

Raising Awareness of Labour Rights

Each of our supplying mills are certified by GOTS, which requires them to adhere to the social accountability criteria established by GOTS certification, including the implementation of, and monitoring for, social accountability, and the provision of appropriate policies therein. This includes freedom of association, access to and function of grievance mechanisms, and a safe and healthy workplace. Furthermore, 100% of our key fabric mills have human rights training for their management. Read more about labour rights awareness within our supplying mills [here](#).

Audits and Corrective Action Plans

Outland Denim receives externally assessed insights into suppliers' standards through GOTS certifications and third-party audits. Our denim mill has welcomed Outland Denim personnel for multiple visits to see their production processes firsthand. They have shared detailed insights into the audit findings from their SEDEX audits, along with the corrective action steps in progress and completed by their facility. These results have also been shared publicly and with third parties for accountability.

Additionally, our Turkish fabric mill has been able to provide a signed letter from the Ethical and Environmental Certification Institute (ICEA) auditors stating that the mill had submitted necessary corrective actions and that their non-conformities had been closed.

Our fabric mill in India has shared a copy of the findings of a OneCert Social Compliance Checklist Inspection for GOTS.

Subcontracting

Outland Denim monitors its suppliers' use of subcontractors through its suppliers assessment and through the review of audit summaries provided by suppliers. Furthermore, Outland Denim goes beyond the commitments of suppliers, through the establishment of our aforementioned Sağ Salim program to monitor the conditions of workers in the primary regions where our mills and raw material tiers are located.

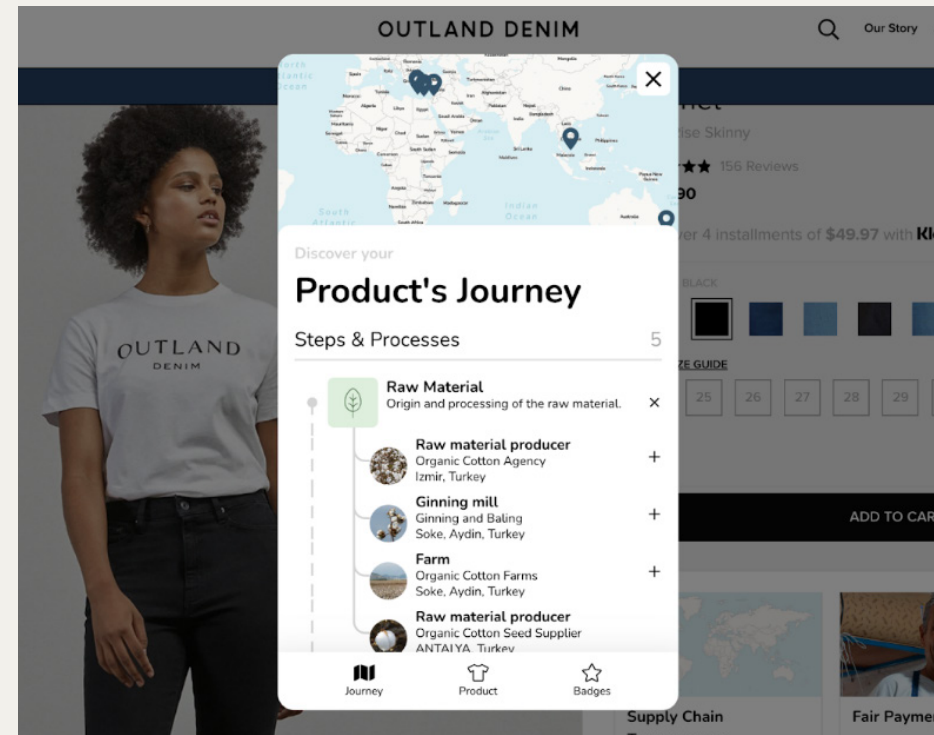
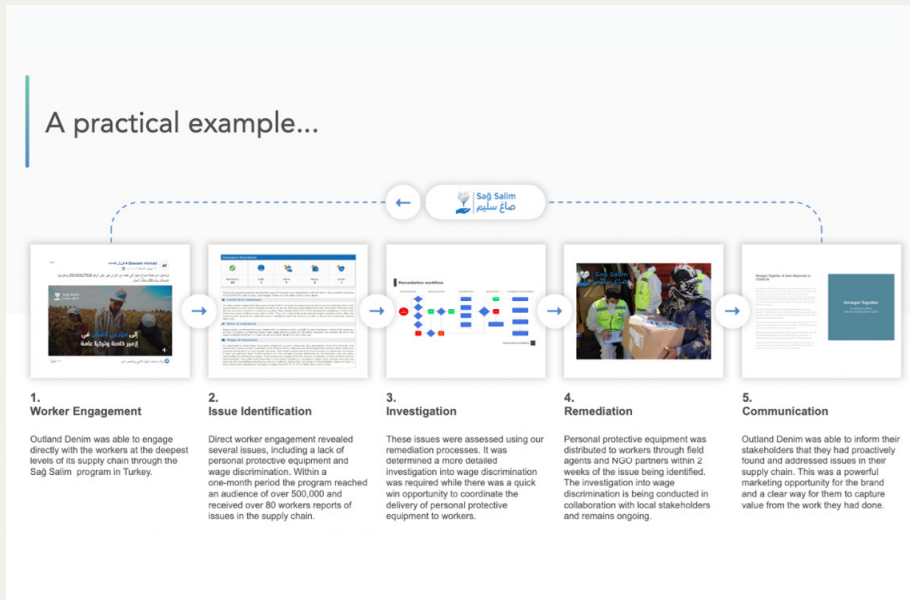


Image: Retraced platform on an Outland Denim product page.

Tracking Vulnerable Workers and the Use of Labour Brokers

100% of key fabric mill suppliers hold GOTS certification for both themselves and their raw material supplier agencies, which covers migrant workers. Read more about the GOTS assessed criteria [here](#).

Outland Denim's Supplier Assessment specifically asks if the supplier uses labour brokers or employment agencies. None of the fabric suppliers Outland Denim works with use these intermediaries. In the case that brokers or employment agencies are used, Outland Denim's Suppliers' Code of Conduct states that the fees or costs associated with recruitment charged by labour brokers or third-party recruiters, including travel costs, processing of official documents and work visas, charged by labour brokers should be fully paid by employers.



Worker Voice Systems

The GOTS certification held by our key fabric mills requires that each of the companies has established a functional and effective complaint mechanism, and an anonymous non-discriminatory whistle-blower mechanism. This assures easy access and effective measures to protect whistle-blowers and that any information received regarding corruption or non-compliance is followed up and necessary actions taken.

Two thirds of these mills and the cotton farms are also covered under the Sağ Salim program, which engages with vulnerable worker demographics, in their local languages, and creates an anonymous worker voice channel for them to access in Turkey. Workers can place grievances via message or phone call and can also interact with and comment on Sağ Salim social media posts, which educate and ask workers about their experiences on topics such as transport, wages, treatment of workers, discrimination, children in the workplace, forced labour (and other forms of modern slavery), COVID-19 and workplace health and safety.

Living Wages and Wage Improvements

Outland Denim has prioritised working with mills that can provide evidence that fair wages are paid at their facilities. For each region, Outland Denim requests a living wage methodology from the supplier, to assess how the company's wages compare to a living wage for an individual and for a family. If the company cannot provide a living wage methodology, Outland Denim does its own research, with sources such as Fair Wear Wage Ladder, Global Living Wage Coalition and local trade union estimates, to create a benchmark to work from.

Currently one third of key mills are able to show information that their lowest wage is sufficient for a family to afford a decent standard of living in their region. Two thirds of our key mills are able to show information that their lowest wage is sufficient for an individual to afford a decent standard of living in their region.

Training on Rights and Entitlements

All mills train workers in their rights and grievance mechanisms on a regular basis. Each supplier holds the GOTS certification which requires displaying and communicating workers' rights to collective bargaining.

Rights and entitlements are communicated to the deeper levels of the supply chain through the Sağ Salim channels, established to target the raw materials level in Turkey. Further information on this can be found [here](#) or in our 2021 Impact Report.

Trade Unions and Worker Representatives

As confirmed by the SMETA audit, our key denim mill has a union and active collective bargaining established at its facility. Our other fabric mills allow membership in unions, however, since the number of employees is not very high, they currently do not have union members.



Photo by Cesar Lopez

6. MEASURING THE EFFECTIVENESS OF ACTIONS BEING TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Assessing Our Progress

Outland Denim collects extensive data on the programs implemented and actions taken to address modern slavery, some of which are outlined below.

Program	Participants FY21	Impact
Opportunity For People: Vulnerability Levels	<ul style="list-style-type: none"> • *69 (approximately 54% of employees) participants were surveyed to produce this data. • **The change highlighted is only valid for the 26 participants (approximately 20% of employees) that had been surveyed through our recently updated system. 	<ul style="list-style-type: none"> • 85% of surveyed employees* were in the Moderate, High or Extreme risk categories when beginning their career at Outland Denim. • 76% of surveyed employees** have a reduced level of risk to exploitation after 6 months or more of employment, education and opportunities at Outland Denim.
Fair Wages and Financial Management Training	<ul style="list-style-type: none"> • 80 employees 	<ul style="list-style-type: none"> • 51% of employees that reported education and employment with Outland Denim helped them to decrease debt. • 80% of employees that reported education and employment with Outland Denim helped to improve financial security.
Skills Acquisition	<ul style="list-style-type: none"> • 50% of employees 	<ul style="list-style-type: none"> • Over 50% of employees received salary increases this year, due to skill progression or promotion.
Complementary Education	<ul style="list-style-type: none"> • Various Employees and Management 	<ul style="list-style-type: none"> • 103 Industry Training Hours Provided • 171 Education Hours Provided • 97% of employees share information learnt at Outland Denim with their family and community.
Human Trafficking Awareness Training and Trauma Informed Care	-	<ul style="list-style-type: none"> • COVID-19 restrictions have delayed this training until the next reporting period (scheduled for September 2021).
Khmer Literacy Program / Library	<ul style="list-style-type: none"> • 9 attending Khmer class. • 100% of employees can access libraries and educational resources. 	<ul style="list-style-type: none"> • 218.5 hours of Khmer literacy training and class time provided (incl 58 hours of teacher training) • Over 850 books have been borrowed since the library opened in September 2020 • 47% of employees have reported an improvement in their Khmer Literacy levels since working with Outland Denim.
Outland Denim Medical Clinic	<ul style="list-style-type: none"> • 100% of employees have access 	<ul style="list-style-type: none"> • 390 visits to the clinic since opening • 97% of employees report now having access to health support and advice they can trust. • Education on 15 health topics provided • 100 health resources distributed • Equipped with resources on; high blood pressure; diabetes; depression; cervical cancer; scabies; nutrition; colds; malaria; nutrition for children; diarrhea; and menstrual health.
Sağ Salim - Persistent Due Diligence Program beyond Tier 2	<ul style="list-style-type: none"> • Targeting organic growing region in Turkey 	<ul style="list-style-type: none"> • Reach: 3,265,126 • Engagement: 209,699 • Likes: 74,673 • Comments: 3,708 • Shares: 546 • Education Video Views: 222,000 • Hotline Communications: 260 • Vulnerable individuals benefited through physical support (ie.PPE): 360.

Accountability and Improvement

Our focus for the FY21 reporting period has been our direct operations, our denim supply chain and key fabric mills. With the support of third-party organisations and initiatives, our practices are continuously measured, reported on publicly and improved. This includes our involvement with BCorp, Good On You and Elevate Compliance auditing. But there is always room for improvement and to broaden the scope of our efforts to address modern slavery in our operations. Some of these goals are outlined below.

The full extent of our awards, certifications and partnerships can be viewed [here](#).

Strategy for Future Modern Slavery Reporting

FY22	FY23	FY24	FY25
BRAND: Collate and review current HR policies to identify gaps in human rights due diligence. Create, communicate and review new policies as needed.	TIER 1: Expand Elevate compliance auditing to include the Wash and Finishing Facility.	TIER 1: Focus on Human Rights agreements with downstream supplier activities, particularly last-mile logistics.	TIER 1: Scale Floor and Field program capacity to include impact data dashboard and incorporate with other due diligence programs.
BRAND & TIER 1: Enlist expert partner to run internal training on Procurement and Modern Slavery for senior management staff.	TIER 2-5: Research wages paid and build further brand awareness of a benchmark for living wages for deeper tiers of the supply chain.	TIER 2: Include key Trims and Accessory Suppliers in Modern Slavery Report.	TIER 2-5: In addition to cotton in denim, achieve 100% traceability of the cotton origins for each key fabric mill.
TIER 1: Expand education and awareness of Modern Slavery to community members.	TIER 2: Acquire evidence that key second tier trims and accessory suppliers also remunerate their staff with a fair wage.	TIER 2-5: Outland personnel to visit primary facilities for further due diligence, to ensure corrective action plans are in progress and for relationship building.	TIER 2-5: Deeper tracing into the origins of the trims and accessories of our products.
TIER 1: Run Human Trafficking and Trauma Informed Care education workshops post COVID-19 delays.	TIER 2-5: Engage other brands with shared supply chains to scale and expand Sağ Salim impact.	TIER 2-5: Run capacity building activities through Sağ Salim in Turkey, with supply chain for further proof of program concept.	TIER 2-5: Scale Sağ Salim enduring due diligence program to sourcing regions outside of Turkey.

7. CONSULTATION WITH REPORTING ENTITIES

Through direct ownership of our own Cut and Sew and Finishing Facilities, Outland Denim is able to maintain daily communication and consultation with both facilities in Cambodia. This includes head office asking what is needed and what the staff are interested in, as well as seeking data and feedback on implemented programs.

8. ADDITIONAL INFORMATION

Multi-stakeholder Engagement

We believe that collaboration is key to addressing modern slavery across industry. To this end, we invest into mutually beneficial partnerships in order to share information, add value where we can, learn from others, and drive initiatives that address modern slavery. This has been the prime remit of our Head of Advocacy and Alliances, together with our Social and Environmental Impact Manager. These include our involvement with the UN Global Compact Network, B Corporation, the Sağ Salim program in collaboration with Precision Solutions Group (PSG) and our partnership with International Justice Mission (IJM).

We have also forged relationships with Anti-Slavery Australia, Be Slavery Free, the Australian Fashion Council, The Australian Centre for Philanthropy and Nonprofit Studies at QUT Business School, Hagar Australia, the RMIT School of Fashion and Textiles, the Rights Lab at the University of Nottingham, Monash University Sustainable Development Institute, and the London College of Fashion, amongst other institutions and organisations.

To engage with our broad community, in 2020/21 Outland Denim invited the public to become an investor in the brand by way of Equity Crowdfunding. This has enabled us to not only further our work in addressing modern slavery, but also to provide awareness and education to the public. As active stakeholders, our investor community has a vested interest in driving awareness of not only our brand but the driving purpose behind it.

To further this work, Outland Denim also participates in a select number of global advocacy campaigns each year (such as Anti-Slavery Day and World Day Against Trafficking in Persons), as well as speaking at 30 industry and public events including the Melbourne Fashion Festival, Monash University and CIPS ANZ - Chartered Institute of Procurement and Supply.

A key pillar of our communication, public engagement and customer education strategy centres around raising awareness of modern slavery and inspiring positive change in this space. Our leadership in this area has been recognised by:

- **B Corporation** - Best For The World Honoree (Community)
- **Thomson Reuters Foundation** - Stop Slavery Award (SME) recipients
- **UN Global Compact** - Recipients of the inaugural Global SDG awards in the areas of Goal 1 and Goal 8
- **Rivet 50** - 50 Most Influential People In Denim Award
- **Anti-Slavery Australia** - Freedom Award
- **Common Objective** - CO Leadership Award



9. STATEMENT OF CONTINUAL IMPROVEMENT

Outland Denim seeks to constantly improve and be as transparent as possible in addressing modern slavery. While a relatively small company with limited capacity and resources, we are committed to continual improvement across our operations so that our customers and community can be assured that we are doing our utmost to combat modern slavery and support its victims.