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BLUNDSTONE GROUP

MODERN SLAVERY STATEMENT

FINANCIAL YEAR ENDING 30 JUNE 2023

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This statement complies with the Modern Slavery Act 2018 (Cth) detailing the actions of the Blundstone Group to assess and address modern slavery risks in its operations and value chain for the financial year ending 30 June 2023.

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

Reporting entities

This Statement is made for the year ended 30 June 2023 by:

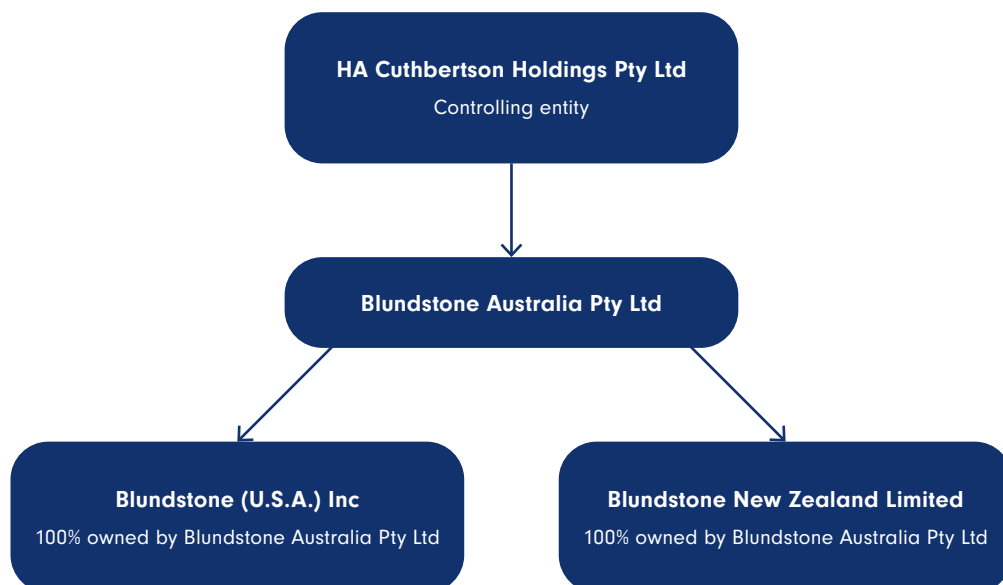
- HA Cuthbertson Holdings Pty Ltd (ACN 009 493 350) and
- Blundstone Australia Pty Ltd (ACN 009 475 852)

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

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

Blundstone Group structure

The Blundstone Group comprises four entities:



Our global headquarters are located at 88 Gormanston Road, Moonah, Tasmania.

This is also the registered address for both HA Cuthbertson Holdings Pty Ltd and Blundstone Australia Pty Ltd.

Our headquarters are home to group management, administration, sales, marketing, brand, communications, quality management, customer services, logistics, and design. Sales representatives are based across Australia and New Zealand.

Our New Zealand office is in Auckland, housing customer services and administration.

We have distribution centres in Derrimut, Victoria, and Auckland, New Zealand.

In the USA, Blundstone is represented by a long-term partner who provides sales and warehousing services via a New Jersey-based office and a distribution centre in Pennsylvania.

Our values

We are committed to our values:

- Family** Our people are the driving force of our business.
We care for, respect and value the diverse group who are part of our family.
- Customer** Our mission is to listen to, understand and deliver on the needs, wants and expectations of our consumers and our customers.
- Community** We are proud to be an active, positive and contributing member of our community, locally and around the globe, today and for future generations.
- Design** We are committed to designing innovative, quality, honest products, services and experiences that are fit for purpose.
- Integrity** We always seek to do the right thing: to behave ethically, to act with integrity, and to minimise our impact on the environment.

We are committed to effectively addressing modern slavery risks in our business operations and value chains. We aim to take appropriate steps to identify, assess and address those risks to reduce the potential for harm.

Since 2015 we have been taking steps to monitor and evaluate practices throughout our value chain, including partner self-assessments, Blundstone audits and third-party audits for key manufacturing partners and other important or significant manufacturing sites.

Building on previous activities, in 2021 we established Every Step Better (ESB), a broader business-wide program in response to environment, social and governance (ESG) obligations and expectations.

The ESB program leverages our existing sustainability processes, establishes a management structure for ongoing monitoring and improvement and more generally provides a focal point for our investment and commitment in this space.

The program continues to focus on ensuring compliance with all relevant legislation, Blundstone values and Code of Conduct, but also aims to improve traceability of every aspect of our supply, production and distribution processes, enabling us to deepen our understanding of where modern slavery risks may exist and offering the opportunity to mitigate those risks.

Our operations and value chain

The entities within the Blundstone Group operate under the same corporate governance and risk management framework which integrates company values, policies, and procedures and a certified ISO Quality Management System. The Blundstone Leadership team works across the Blundstone entities.

As at 30 June 2023, we employed approximately 140 people throughout Australia and New Zealand.

We design, distribute and retail leisure and safety footwear, gumboots, ancillaries and accessories.

We currently sell into over 70 countries using either our own distribution network or a network of distribution partners, many of which have been distributing for Blundstone for decades.

During 2022-23 we sold products directly to consumers online in two markets: Australia and the USA. Many of our distributors and retailers also sell Blundstone products online.

Excluding gumboots, our leisure and safety footwear is manufactured by long-term manufacturing partners in Vietnam, India, Mexico, Thailand, China and more recently Indonesia. Our gumboots are designed, manufactured, and distributed by Blundstone with manufacturing occurring at our own factory, located at our Tasmanian headquarters.

We have over 300 suppliers of raw material inputs in various countries around the world supporting our manufacturing programs. Major components for our core footwear business (including ancillaries and accessories) are sourced from Australia, Italy, Brazil, China, Thailand, Mexico and the United States.

We also engage a range of suppliers that support our business through the provision of marketing, financial, ICT and similar professional services. These suppliers are generally considered 'low risk' and accordingly we have focused our due diligence efforts on our core footwear activities.

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

Modern slavery risks

We recognise that footwear is a high-risk industry and that there are significant modern slavery risks throughout our value chain, with the most likely exposure being in the sourcing of finished footwear and associated raw materials, accessories and ancillaries.

As a group, we have a strong focus on ‘doing the right thing’. Our ESB program encapsulates our commitments across three key pillars: People, Planet and Product. Our value chain monitoring and assessment program sits under the ‘People’ pillar and focused initially on our most significant suppliers but is continuously expanding as we deepen our knowledge of our extended value chain.

The program includes initial supplier assessment at selection stage, then undertakes ongoing auditing, risk assessment and management activities.

To date, we have not found any serious or widespread modern slavery practices in our mapped value chain. We have however, identified several opportunities for improvement in some of our Tier 2 suppliers’ practices, including inadequate record-keeping and discrepancies in the payment of allowances. Where these instances have been identified, corrective actions have either been implemented to resolve the non-compliance or are being progressed and are part of our ongoing monitoring activities, including repeat on-site verification auditing.

During 2022-23 we identified an increasing trend in minor non-compliances amongst some Tier 2 suppliers in China. We are finalising a risk-based program to address these issues which will include further and repeat on-site verification auditing to verify progress.

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

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

As a direct result of these well-established relationships, we have a higher level of visibility into and influence over our footwear manufacturers and critical component suppliers. We have at least one quality inspector engaged as an independent contractor at each overseas footwear manufacturing location to monitor and report to Blundstone on manufacturing quality and, in addition to those core functions, to observe and report any infringements of our Code of Conduct, including social and labour infringements.

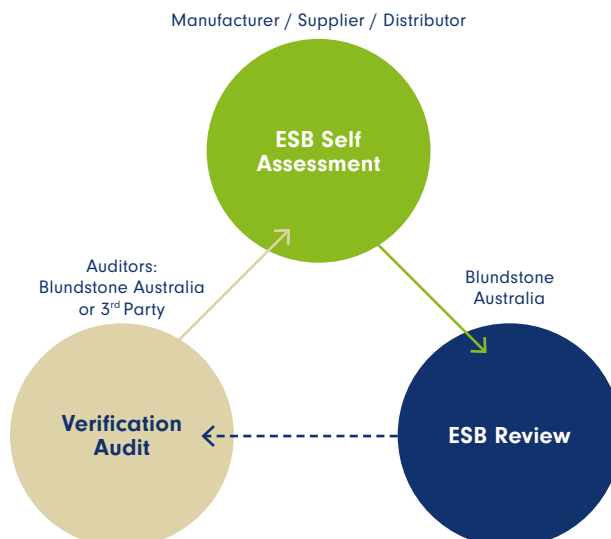
Our ESB program is the cornerstone of our efforts in managing a responsible value chain free from modern slavery, monitoring identified risks, and building continuous improvement. Our dedicated Accreditations team is responsible for the implementation and maintenance of the program to assess and address modern slavery risks in our value chain. That team reports to our Global Supply Manager and with the support of a broader group of internal functions (including logistics, brand management, technical, legal and quality), we work closely with our suppliers to drive compliance. Operationally, we have established procedures regarding how purchasing, onboarding, and risk management are carried out.

Due diligence and risk assessment

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

- **Tier 1** suppliers include those actively producing Blundstone and John Bull branded footwear and branded ancillaries or marketing materials. The commercial relationship is typically directly between Blundstone and the supplier. This tier includes our overseas footwear manufacturing partners and suppliers of branded items. Our gumboot factory in Australia is also classified as a Tier 1 supplier.

Tier 1 manufacturing partners are required to complete Self-Assessment Audits (SA) and undergo regular on-site verification audits (VA) conducted either by Blundstone or our third-party assessors.



These audits are carried out annually for at least the first three consecutive years and every second year thereafter as a minimum. The VA process focuses on modern slavery risks, including assessment of social and labour risks, worker protection, environmental policies, working hours, and the presence of child labour.

We undertake a similar assessment and verification process with our gumboot factory, with a self-assessment questionnaire combined with auditing as part of our internal audit program every two years.

Our partners manufacturing Blundstone and John Bull ancillaries and accessories (that is, non-footwear items) are required to complete the Blundstone SA questionnaire process every two years and depending on their assessed risk, may be subject to an on-site VA conducted at their premises either by Blundstone or our third-party audit team.

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

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

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

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

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

Contracts and additional documentation

The ESB program has been formally integrated into our relevant contractual agreements, with obligations outlined to manage ongoing adherence to ESB requirements.

Our Code of Conduct is integrated into existing relationship structures and sets out our minimum standards and expectations that we and our value chain partners are working to meet. When considering potential new partners, we prioritise those businesses that are aligned with our values and Code of Conduct and which will partner with us to ensure the welfare of employees, the responsible and efficient use of resources and the minimisation of our footprint on the planet. As part of ESB, our Code of Conduct guides all areas of our business, and we expect all partners to respect and follow our lead.

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

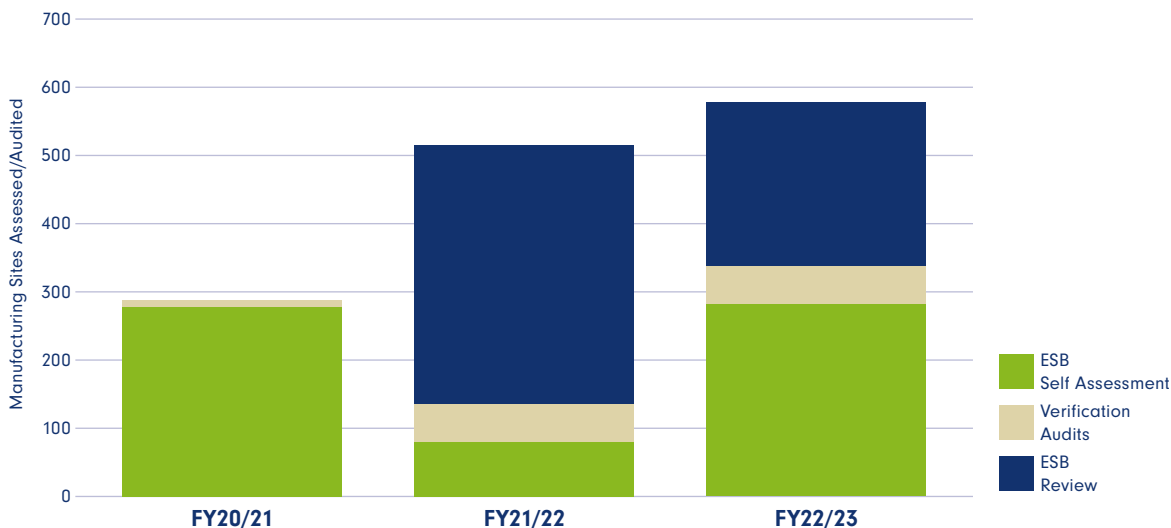
Verification and audit structure

The existing assessment and audit structure has continued to be implemented further into our overall value chain.

In 2022-23:

- We have been developing a comprehensive supplier onboarding process to provide a 'one stop shop' outlining our expectations and requirements before becoming a value chain partner. This will include modern slavery in addition to other key areas such as chemical compliance, environmental standards and our Code of Conduct. This activity will be completed in 2023-24.
- We continued to expand the scope of our assessment program to include additional manufacturing sites further upstream within our value chain, Tier 1 and Tier 2 suppliers, further building on the significant increases in previous years.

The graphic below demonstrates the expansion and extension of our ESB program since commencement.



- Our Blundstone on-site third-party contractors have continued to maintain regular audits and checks of our key manufacturing partner sites and practices, with this program now also including suppliers further up our value chain.
- We (and our third-party auditors) have continued to undertake on-site audits.
- Third-party verification audits were completed at all six international Tier 1 manufacturing sites, with return visits planned during 2023-24. This represents an out-of-sequence and intentional repeat visit program to assess anticipated improvement over the 12 month period where sites reported increased overtime due to demand and labour issues as COVID-related restrictions eased.
- We established a dedicated ESG team, who has undertaken a variety of activities to review our current performance (including an assessment of our ESB program against other established frameworks) and developed a target-led approach to key areas of the ESB program, culminating in the development of our first draft overarching Blundstone ESG strategy.

Communications

A suite of communication assets has been developed to provide:

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

This information is publicly available on our Australian, New Zealand and United States websites. Information has been progressively rolled out across other markets through our distribution network as our digital footprint grows.

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

We evaluate the effectiveness of our work primarily through two types of activity:

- Compliance monitoring: we regularly review the self-assessment audits, and on-site verification audits, together with site visits, to verify assessment findings and track progress of identified actions.
- Assessing feedback: we seek and consider feedback from our stakeholders and value chain partners and utilise a continuous improvement approach to addressing any value chain issues and to inform our broader ESG strategy.

Our future goals

We are committed to continuous improvement in assessing and addressing modern slavery risks in our business, particularly in the high-risk areas of the value chain. The goals set for 2023-24 include:

- Continuing to extend our program of assessments, risk review and verification audits as we deepen our knowledge of our value chain beyond Tier 1 and Tier 2 suppliers.
- A review of existing policies and processes to ensure alignment and integration with our overarching ESG strategy (once approved).
- Refining engagement with our Boards and/or Board committees to ensure optimal oversight and assurance in relation to modern slavery risks across the Blundstone Group's core footwear business and investment portfolio.
- Continuing to monitor national and international developments in relation to modern slavery to ensure that we maintain currency of knowledge and meet good practice standards across the Blundstone Group and where relevant, through our distribution networks.

Consultation and approval

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

This Modern Slavery Statement was approved by the Boards of HA Cuthbertson Holdings Pty Ltd and Blundstone Australia Pty Ltd on 7 December 2023.



Stephen Gunn

Chair
HA Cuthbertson Holding Pty Ltd
Blundstone Australia Pty Ltd