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Communication on Progress 2019

Debut Outland Denim Communication on Progress - One
Period Covered: July 2018 until 31st July 2019



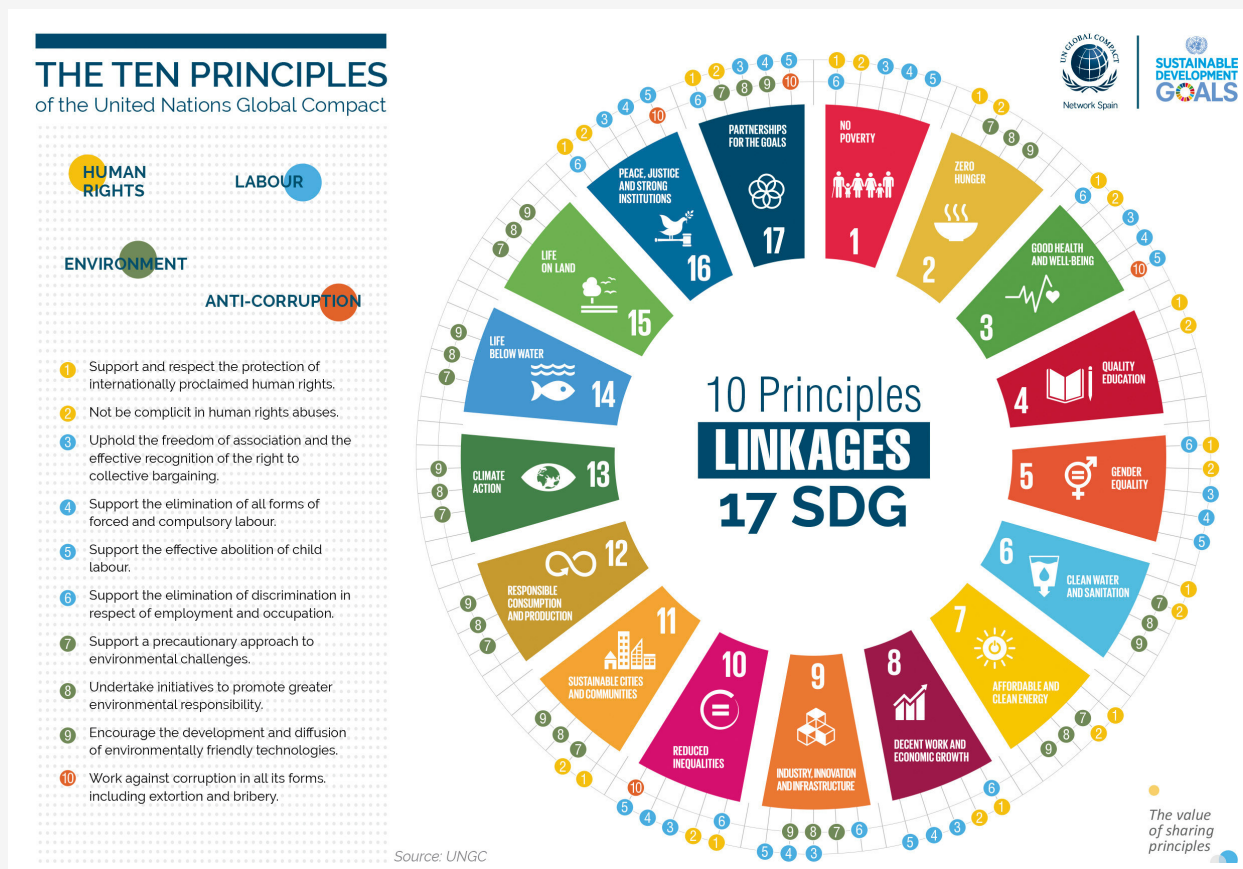
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Outland Denim Mission Statement

Outland Denim crafts premium denim jeans designed to bring the worlds of our seamstresses and our customers closer together. We source the finest raw materials from around the world while offering sustainable employment and training opportunities to women and men rescued from human trafficking and sexual exploitation. We strive to execute our brand vision and imbue all that we do with excellence, creativity and integrity.

#ZeroExploitation

Outland Denim seeks to pursue zero exploitation in every aspect of its business. To be accountable to this mission we are aligning as a signatory to the UN Global Compact Network’s Ten Principles. Outland Denim Founder and CEO, James Bartle, signed a commitment to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of Outland Denim. The 17 Sustainable Development Goals provide a global frame of reference for Outland Denim to bring innovation and creativity to drive genuine change. Outland Denim’s purpose and desire is to see this positive social and environmental change in every sphere of its influence.



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Date of Signature: 23rd October 2019

Statement of Continued Support by the Chief Executive Officer (CEO)

To our stakeholders:

I am pleased to confirm that Outland Denim reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Outland Denim seeks to pursue zero exploitation in every aspect of its business.

To be accountable to this mission we have aligned as a signatory to the UN Global Compact Network's Ten Principles.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



James Bartle
Founder / CEO of Outland Denim

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Outland Denim and the SDGs

SDG 1 – NO POVERTY

Outland Denim works to ensure fair wages are paid throughout its global supply chain. Within all operations in Cambodia, staff wages are calculated using a company made 'Living Wage Methodology'. This is integrated with training & development programs designed to educate our staff on finance, health, and an array of topics that aim to make our employees custodians for their families and the broader community.

SDG 2 – ZERO HUNGER

Food is factored into Outland Denim's living wage methodology, which makes provision for a nutritious household diet. Additionally, Outland Denim has provided a health training module on breastfeeding & infant care. This particular SDG is something that can be improved. Outland Denim currently provides budgeting training and has ambitions to develop an agriculture program, which will extend beyond our workforce, & a nutritional well-being class for staff members.

SDG 3 – GOOD HEALTH & WELLBEING

Outland Denim offers a detailed health training program covering a range of topics that are both culturally and gender appropriate. Outland Denim is in the process of establishing an infirmary in which all staff will have access to basic healthcare, free of charge. Our new health training program will now also include mental health. Through the infirmary, we aim to identify the key causes of illness in our staff's lives, as well as their families, and strategically develop solutions with our social impact partners to improve the general health and well-being of staff.

SDG 4 – QUALITY EDUCATION

Outland Denim aims for each staff member to have the opportunity to be upskilled, informed and empowered, three of the core values behind our company's education focus. Within our production team, staff are given the opportunity to be upskilled in different areas of the manufacturing process, as well as progressing staff into leadership positions. Outland Denim also focuses heavily on extra-curricular educational training such as, English language, health & finance. We also offer an in-house apprenticeship program for community members who desire to use the skills acquired with Outland Denim as a stepping stone to employment.

SDG 5 – GENDER EQUALITY

Outland Denim's business model is centred around empowering women and their families through education, employment, training and opportunity. Within our company structure, over 50% of management positions held in Australia are held by females, and in Cambodia, more than 70% of management and section leader positions are held by females. Outland Denim values its ability to provide opportunities of empowerment and development to both men and women.

SDG 6 – CLEAN WATER & SANITATION

As a manufacturing business, we believe it is our responsibility to utilise scarce water resources responsibly. This extends to our new Wash & Finishing Facility, which ensures sustainable wash recipes and finishing techniques are used for 100% of Outland Denim products. We use zero harmful chemicals in our facilities, which also promotes good worker health. An area that Outland Denim has recently delved into has been the impact of clean water and sanitation on workers' health, family health and staff productivity. Within the business, the implementation of a water and sanitation program are planned to align with our medical clinic with a focus on educating staff about safe sanitation practices and water hygiene, as well as greater insight into living qualities and water availability in local homes.

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SDG 7 – AFFORDABLE & CLEAN ENERGY

Outland Denim has implemented energy saving strategies through choice of machinery and behavioural practices. This is a field Outland Denim has great interest to develop. The new Outland Denim Cut & Sew facility is equipped with solar energy, and our Wash House Facility utilizes LPG gas and high steam recovery technology to run our machines. Outland Denim's goal is to find ways to utilise 100% clean and renewable energy in all facilities, as well as encouraging staff toward using renewable energy solutions in their personal lives.

SDG 8 – DECENT WORK AND ECONOMIC GROWTH

Outland Denim was founded as an avenue for the provision of decent work under excellent conditions for people vulnerable to poverty, exploitation and modern slavery. It continues to deliver on its mission, expanding its workforce by 80% over 18 months, while being inclusive of those experiencing underemployment, poor conditions in garment factories and other adverse circumstances. This widening of our doors has increased our influence and the potential for further growth. Economic growth is a key factor to furthering our impact. Under our business model, providing staff with the opportunity to develop their skills allows for more rapid progress and greater productivity. Furthermore, we are cognisant of the challenges wrought by the Industrial Revolution 4.0, particularly within the garment industry, and believe we have a responsibility to equip our staff for technological change while advocating for the rights of workers within the garment trade. We believe an environment of sustainable, holistic employment partnered with a genuine care of people and mutual benefits for all, have the power to facilitate transformation for those who are the most vulnerable into respected, vibrant, informed individuals who positively impact their families and communities.

SDG 9 – INDUSTRY, INNOVATION & INFRASTRUCTURE

Innovation is part of the Outland Denim framework as the business is stretched across two major industries - ethical fashion and sustainable manufacturing. The development of our Cut & Sew Facility, together with the acquisition of a Wash House Facility, mean that we have control over innovation and our own infrastructure while also influencing the fashion industry for good. Our membership with the Global Fashion Agenda, the Australian Fashion Council and other industry bodies mean we are able to contribute to the ongoing conversation around sustainability. Our investment into innovative projects designed to support regeneration of the ecosystem, while ameliorating the effect caused by our production of garments, is significant and should bear fruit in 2020.

SDG 10 – REDUCED INEQUALITIES

Outland Denim exists to create positive change for some of the world's most vulnerable people using the vehicle of beautifully crafted denim jeans. We employ a "zero exploitation" business model designed to improve the ecological, social and economic status of entire communities. To reduce inequalities, Outland Denim has been active in hiring staff from a range of backgrounds, ethnicities and religions, as well as staff with physical disabilities. As a majority of Outland Denim's employees are women, educational programs and policies have been implemented to support women's rights. Through consistent work, career progression opportunities and fair wages, Outland Denim improves incomes to not only reduce inequality, but also boost economic growth.

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SDG 11 – SUSTAINABLE CITIES AND COMMUNITIES

As Outland Denim is able to continue to work with our staff, there is a growing trend of our staff becoming custodians in their respective communities. We pride ourselves on our staff's ability to use their own knowledge to empower others, and Outland Denim will always assist with this. Centralising the community around educated, informed and valued individuals with decent work and a living wage, is how Outland Denim is positively impacting growth in communities in Cambodia and abroad. As we grow, we believe that we will be able to make greater positive contributions to the communities in which we operate.

SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12 is where Outland Denim can make strides in the fashion industry. By promoting sustainable fashion's "buy better quality, make it last" philosophy, while creating quality premium products that can be re-worn and re-used, we can impact consumers' consumption habits. Further to this, we manufacture our products according to seasonal demand to avoid excess over-production.

SDG 13 – CLIMATE ACTION

Outland Denim has the potential to make a big impact on climate action through manufacturing, brand practices & technology. A goal of Outland Denim is for all manufacturing facilities to utilize renewable energy, for all our shipping and logistics to be carbon neutral, and to constantly evaluate the impact of each of our products. One major project Outland Denim is pursuing is the implementation of textile recycling, which will reduce the overall impact of carbon emissions and improve soil, water and air quality in regions where textiles are dumped or burnt.

SDG 14 – LIFE BELOW WATER

Outland Denim sees the importance of putting things back the way you found them. We are working towards improving the quality of our current filtration system so that we can recycle our water in the near future. Cambodians, like many other cultures, rely on the aquasystem for food, income and transport. Tackling this SDG will have a positive ripple effect on others. Garment care instructions and customer education are both additional ways Outland Denim seeks to minimise its impact on life below the water. New product designs are currently being implemented to reduce microplastics and synthetic fibres.

SDG 15 – LIFE ON LAND

As a company we believe that human life and livelihoods are inextricably connected to the land, and that our ability to preserve, restore and utilise land resources responsibly now will have a dramatic impact on future generations. Our environmental stewardship begins with the use of organic cotton, known for its restorative and regenerative properties, and zero harmful chemicals in our products, and extends to resource management projects linked to our stand-alone production facilities. By reducing overall pollution through the responsible handling of water and waste, there is a significantly reduced effect on soil and water quality, and therefore biodiversity. We value and utilise sustainable raw materials, which is why we consciously choose suppliers with the highest relevant certifications that focus on social & environmental impact.

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SDG 16 – PEACE, JUSTICE AND STRONG INSTITUTIONS

Education workshops are provided to all Outland Denim Cut & Sew Facility employees to equip them with knowledge of human trafficking, which affects an estimated 40.3 million people globally. The impact of this knowledge amongst our staff base has resulted in investigations to uncover exploitation of various forms, people being freed from trafficking situations, and survivors receiving access to restorative justice and support while reintegrating back into society. This is one way to bring justice to the oppressed and to mitigate vulnerability to exploitation in the first place. Outland Denim partners with frontline anti-trafficking agencies and government authorities to see peace and justice restored in situations where it has been violated.

SDG 17 – PARTNERSHIPS FOR THE GOALS

We believe partnerships are vital to the realisation of genuine sustainable change across the fashion industry and global trade in goods and services. Outland Denim will continue to input into relevant government policy such as Australia’s Modern Slavery Act and Inquiry into Australia’s Aid Program. We pursue partnerships through collaborative research and development projects with universities, businesses and key industry bodies, in addition to engaging key stakeholders such as impact programmers, retailers, consumers, NGOs and media in our work.

HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses



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High Level Implementation

Outland Denim was founded to create a mechanism through which victims of human rights abuses could gain meaningful and sustainable employment in order to lift themselves out of the cycle of poverty and abuse. We not only believe that business should respect and protect human rights, but also that business can help in the process of restoration where abuses have occurred. To this end, we not only fully support the Universal Declaration of Human Rights and seek to ensure its principles are upheld in all that we do, but we actively advocate its implementation in business and supply chains across industry.

To list some of the ways we engage in this space, Outland Denim:

- has supported and informed legislation around Australia's Modern Slavery Act and the Inquiry into Australia's Foreign Aid program;
- regularly engages in speaking events advocating for business to not only uphold basic human rights but go beyond compliance to create positive impact;
- has been an active member of the Freedom Business Alliance;
- provides staff and community training around Modern Slavery;
- are members of the Gold Coast Anti-Slavery Alliance;
- actively engages with 'Fashion Revolution' including participation in the 'Who made my clothes?' campaign
- has been working with Nottingham University's Rights Lab on world first research calculating the 'Freedom Dividend';
- provides thought leadership and benchmarking around human rights to the fashion industry through participation on industry bodies such as the Global Fashion Agenda and Australian Fashion Council.

Outland Denim has established its own Cut & Sew Facility where 100% of its products are manufactured. More recently, Outland Denim has also taken ownership of its own Finishing Facility. This finishing facility cultivates technological progress towards finding lasting solutions to both economic and environmental challenges in Cambodia, a Least Developed Country according to the UN(1). The facility increases opportunity to provide new jobs and technical training, while promoting energy efficiency and other environmentally friendly processes.

This unique control and oversight within our business allows for complete transparency of all standards at both these stages of the supply chain and removes the risks involved in outsourcing production. Outland Denim has established these facilities to provide sustainable employment and training opportunities to women and men rescued from human trafficking, sexual exploitation and other adverse circumstances.

Approximately 14.5% Outland Denim's full-time regular employees have come from NGO partners working with people who have come out of human trafficking and other forms of exploitation(2). However, approximately 75% of employees have come from exploitative situations or from a position of vulnerability to being exploited(3).

Outland Denim's [Ethical Trading Policy](#) is available online and is firmly established on respect for human and labour rights. It has been set upon the foundation of The Ethical Trading Initiative Base Code, and, in turn, the International Labour Organization's Four Fundamental Principles and Rights at Work. Outland Denim requires all supply chain partners to meet or exceed the standard outlined in its Ethical Trading Policy.

1. <https://www.un.org/development/desa/dpad/least-developed-country-category-cambodia.html>

2. Correct as of the 31st October 2019

3. Correct as of the 22nd August 2019

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Implementation at the Manufacturing Level

Human Rights - Outland Denim's Cut and Sew Facility - First Tier

Outland Denim is elevating lives through a holistic employment model.

From our inception we have made people the driving force behind our work and continue to stay true to this mission. We believe no person nor community should suffer in the pursuit of fashion, and endeavour to influence the industry for the betterment of the world, its inhabitants and the next generations.

We believe an environment of sustainable, holistic employment partnered with a genuine care of people, has the power to facilitate transformation for those shadowed by the past, into respected, vibrant, informed individuals who positively impact their families and communities.

These individuals are being equipped with knowledge that can radically remodel communities and industry. Through health education, human trafficking awareness, self defence classes and other programs, we are seeing a ripple-effect of knowledge infuse into communities. The impact of this knowledge results in improved family health and safety as well as people being freed from situations of trafficking and other forms of exploitation. Better yet, this knowledge can prevent exploitation in the first place.

Our holistic model has been developed in collaboration with our employees to determine their needs and the needs of their families. We consult with professionals from various industries to develop training workshops that work around our production schedule.

To design a truly holistic and transformational model in our work environment, it's crucial to take into account the condition of the local garment industry, the culture of our employees, and common locality issues for the community in which we work.

Opportunity

Employing those that have come from situations of poverty, modern slavery, exploitation or other human rights abuses. Outland Denim is partnered with frontline rescue agencies and trained counsellors to support employees.

Training

Training is provided for unskilled applicants without experience in the garment industry. Applicants are then developed through cross training on various machines and up-skilled through this process.

Education and Community Influence

Staff are educated on a broad range of topics, with a core focus on Health, Financial Management, Human Trafficking and English.

Wages

Outland Denim works to ensure staff are paid wages adequate for a decent standard of living. Living wage research sources such as Wageindicator.com and the Anker Method, are utilised to inform our living wage methodology. Outland Denim has customised some parameters of the methodology to be fitting to location and actual household compositions of Outland Denim employees. Outland Denim also consults with locally based freedom businesses, NGOs and Cambodian professionals to discuss and assess wage levels on an ongoing basis.

100% of full-time regular employees have the opportunity to earn wages affording a decent standing of living, relative to the location of the facility in which they work. A full-time regular employee has completed their apprenticeship and/or probation contract with Outland Denim before they commence working in a regular, full-time position.

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In addition to the above four core areas, Outland Denim has developed labour rights policies around areas such as: Child and Forced Labour, Gender Equality, Women's Rights, On-boarding NGO Clients (often from backgrounds of trauma), Grievances, Media and Privacy, Ethical NGO Partnerships and Mental Health.

Outland Denim has also taken the following measures to prevent human rights violations in its facility:

- Outland Denim has dedicated a full-time employee to the role of Social and Environmental Impact. This role includes focus on the well-being and holistic support of our employees in Cambodia, as well as assessing the human rights and environmental standards of supply chain partners.
- Outland Denim's Social and Environmental Impact Manager has been sent to training under Bureau Veritas on Internal Social Compliance Auditing as well as training around Living Wages with Social Accountability International.
- Outland Denim is aware of the challenges, dynamics and sometimes unintentional negative impact on one culture to another when working cross-culturally. Outland Denim has employed a part-time Cultural Connections Liaison to build a foundation of understanding and strengthen practises of working cross-culturally. This consultation for management and employees, plus the hands-on support for team members of all nationalities, has ensured human rights are understood from differing cultural viewpoints, established correctly and upheld in the best way possible.
- Outland Denim's Administration and Finance Manager has been sent to training courses on the Cambodian Labour Law, to ensure Outland Denim's practises at least meet, if not exceed, the minimum standards set by the local government.
- Grievance systems have been implemented that include the establishment of Shop Stewards, anonymous grievance boxes, anonymous phone numbers to call in the local language and one-on-one interviews. One-on-one meetings in the local language has proved to be a very effective way of bringing any concerns a staff member has to the surface. Upper management is informed immediately and action plans are discussed and put in place as soon as possible.
- Outland Denim has informed its employees about the grievance system and has supplied a copy of the grievance system in the local language to each employee.
- Due to the nature of the work Outland Denim does in working with employees from potentially traumatic backgrounds, Trauma Informed Care (TIC) training has been run for Outland Denim's management team members working in Cambodia. This training has been conducted by International Justice Mission (IJM).
- Human rights, labour violations and corruption can easily slip under the radar for a company when communication is not clear and everyone is on a different page about what is important. Working cross-culturally, Outland Denim's management staff bring a myriad of valuable skills to the table. To enhance their capacity for effectiveness in their roles, we conduct weekly culture training modules focusing on unpacking the complexities of cross-cultural work while equipping staff with practical tools.. Through this training, our staff are better able to face labour and human rights violations, and corruption issues as they surface, in ways that speak to the root of what drives the issues to begin with.
- ELEVATE's Responsible Sourcing Standard provides a third party audit assessment on Outland Denim's Social Compliance standards at its Cut & Sew Facility. This audit takes place every two years and provides corrective action plans for Outland Denim management to review and utilize to improve its standards.

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Measurement

Approximately 14.5% of current full-time regular employees have come from an NGO partner that is working with people coming out of the situation of trafficking and other forms of exploitation(4).

Approximately 75% of employees have come from exploitative situations or from a position of vulnerability to exploitation(5).

The level of vulnerability to exploitation is assessed considering the employee's previous situation/s. Risk factors for vulnerability may include: feeling fearful in their previous place of work due to safety standards, intimidation, harassment, or lack of basic rights under the international labour laws; limited or unregulated options for work due to lack of education; receiving less than a minimum wage; experience of trafficking or forced labour; sole income earner for dependents with limited safety nets; long-term unemployment; significant debt; member of a people group experiencing severe marginalisation or discrimination; severe physical or learning disability.

Outland Denim interview each staff member when they commence work with the company, and then again after six months of employment. Staff that had come from situations causing vulnerability to exploitation are informally assessed as to whether employment with Outland Denim has been part of changing their level of vulnerability.

As of August 2019, 93.75% of Cut & Sew Facility employees (formerly vulnerable) assessed using an internal methodology have reported a reduced level of vulnerability to exploitation due to employment with Outland Denim. In November and December 2019, Outland Denim is further developing its model of assessing levels of vulnerability.

4. Correct as of the 31st October 2019

5. Correct as of the 22nd August 2019

6. All staff quotes taken from one-on-one Post Six-Month employment interviews

Development Workshop Results

Workshops run by industry professionals for the development of Outland Denim employees at its Cut & Sew Facility (First Tier) have included:

February 2018 - Self Defence Workshop

- 87.5% of staff said this workshop increased their confidence about what to do in a dangerous situation;
- Staff members also shared information from this training with their daughters and other members of their communities;
- Staff quote(6) (translated from Khmer): She told her family about what she learned in the various trainings. She especially liked the self defense class since sometimes she is headed back home at night after work and it makes her feel safer and more prepared.

July 2018 - The General Health Workshop

- 85% of staff increased their knowledge of how diseases are spread;
- 78% of staff increased their knowledge of child nutrition;
- Staff quote (translated from Khmer): The children's health training was really helpful. Before she had it, she had no idea how to help her kids. She was able to tell her family members about this. Most people she spoke to had no idea.

March 2019 - Financial Management Workshop

xx% of staff that found the topic helpful to their lives:

- 97% - Increasing savings
- 90.5% - Managing and reducing debt
- 76% - Planning for children's education
- 90.5% - Managing family spending
- 87.5% - Understanding dangerous debt
- 90.5% - How to start a business
- 4.75% - Did not find the workshop helpful

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March 2019 - Financial Management Workshop

- Staff quote (translated from Khmer): She worried a lot about money before. Now she can provide for herself and send money home to her mother....She has become wiser with her money since working here and taking the financial workshop. She is happy with the work she gets to do here.

March 2019 - Management only - Trauma Informed Care Workshop

- 40% of the management team increased in their understanding of the direct impact of trauma, that could be affecting Outland Denim employees from backgrounds of exploitation or other forms of trauma;
- 60% of the management team increased in their understanding of how to identify stress areas that could be affecting Outland Denim employees from backgrounds of exploitation or other forms of trauma.

May 2019 - Sexual Health Workshop

- 90% of staff know how to protect themselves from sexually transmitted diseases;
- 100% of staff know where to go for a health screen in their local community;
- Staff quote (translated from Khmer): She liked the values and health training because she understood and felt she could apply those well. She told her mum about what she had learned about and how much she appreciates working for us. She feels care from us and that we want to respect her rights and see the staff do well.

June 2019 - Human Trafficking Awareness Workshop

- 100% of staff now know how to respond and refer when encountering a situation of Human Trafficking;
- 74% of staff now understand the signs of human trafficking;
- 97 = number of staff directly trained on the topic of human trafficking;
- Staff quote (translated from Khmer): She's been able to help sponsor her nephew to go to school. She's also been sharing with those in her neighbourhood about anti-trafficking and giving them the hotline phone number cards so they know who to call if they suspect a situation of human-trafficking.

As at August 2019, approximately 92% of Outland Denim Cambodia employees have shared knowledge from their training workshops with others in their families and communities.

To give context around the need for Outland Denim's development workshops, of our Cut & Sew Facility staff, approximately 42% have not gone past a primary (Grade 6) level of education and approximately 17% of staff have not gone past a 4th Grade level of education.

Outland Denim strongly believes that education around the aforementioned topics (and others) is a crucial part of the holistic approach required to combat modern slavery and the further exploitation of people.

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External Monitoring and Evaluation

Outland Denim, in addition to its own internal audit and assessments, is supported through the following external avenues in monitoring and evaluating its performance in the area of human rights.

ELEVATE Audit

Outland Denim monitors and evaluates performance through an external audit that is conducted every two years to the ELEVATE Responsible Sourcing Standard. The findings and corrective action responses are shared online and with the Ethical Fashion Report in Australia. The next external audit is due to be conducted before mid-March 2020.

University of Nottingham

Outland Denim has partnered with the University of Nottingham's 'Rights Lab' in 2019 to undertake a study that calculates the 'Freedom Dividend' of Outland Denim's unique approach to business. Research indicates that when people are freed from slavery - or extreme poverty - the entire community is transformed for the better (hence 'the freedom dividend'). Nottingham aims to build up a comprehensive picture from interviews and records, about the people who work with Outland Denim, and how their lives have been impacted as a result of working in the Outland Denim Cut & Sew Facility.

At the end of the research project, the Nottingham team will use the information collected to calculate and describe the freedom dividend possible with Outland Denim's unique business model. This data will be shared broadly through both Outland and Nottingham's communication channels and will hold great academic, political and commercial weight - taking the fight against slavery and exploitation to a new level. The data has potential to influence industry, education and political policy on a global level.

NGO Partnerships

Outland Denim's NGO partners are working on the front-lines to rescue, protect and support survivors of human trafficking and sexual exploitation. After rescue, the NGOs look for safe, and if possible (though rare), trauma-informed workplaces for their clients as part of their reintegration into society. NGO clients who become Outland Denim employees are able to: earn a stable income, gain a sense of purpose and fulfillment, flourish, and rebuild their lives. Outland Denim's NGO partners have made it clear that there is nothing else comparable to what they are able to offer their clients with Outland Denim. Our partners have shared a desire for more businesses to come alongside their clients as they rebuild their lives.

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NGO Partner Quotes

November 2019

International Justice Mission - To protect the poor from violence by rescuing victims, bringing the criminals to justice, restoring survivors to safety and strength, and helping local law enforcement build a safe future that lasts.

Mr. Andrey Sawchenko
- **Regional Vice President, Forced Slavery Hub**

“IJM has worked closely with dozens of Cambodian trafficking survivors who are returning home after years of exploitation abroad. Many have left their homes to find work, only to be tricked, trapped and exploited by deceptive—and often violent—employers. Yet even when a victim is rescued from this exploitation and able to return home, they often face the same lack of opportunities that made them vulnerable to trafficking in the first place. Business that provide employment opportunities in vulnerable communities across the country, like Outland Denim, are critical in securing a stable livelihood for survivors who are back in freedom, and enabling them to stay safe from re-exploitation.”

Destiny Rescue - rescues children from red light districts, brothels and sexually abusive situations.

Rick Baltzersen
- **Director of Corporate Partnerships**
(formerly Country Manager of Cambodia)

“Outland Denim has served as a vocational training and employment partner for Destiny Rescue for many years and we’re grateful for the partnership. By establishing its production center in a rural location, Outland has allowed us to provide sustainable employment opportunities to trafficking survivors in an area where the jobs are often difficult to obtain. A job at Outland provides a good income, benefits, and growth opportunities. This is empowering for our clients because it helps them on their journey of resiliency and self sufficiency.”

Jen Cooper
- **Aftercare and Reintegration Manager Cambodia**

“The Clients of Destiny Rescue greatly value the extraordinary opportunity to be trained and employed with Outland Denim. Having suffered and survived the trauma of trafficking, exploitation and family crisis such as debt, an opportunity to gain skill and employment with Outland means they are provided with workplace safety, a new hope for the future and generational change.”

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Awards and Certifications

Outland Denim has compiled the following list of certifications and awards, connecting to its work in the field of human rights.

Certified B Corporation®

Outland Denim is the first Australian denim brand to become a certified B Corporation. Certified B Corporations meet the highest standards of overall social and environmental performance, transparency and accountability and aspire to use the power of business to solve social and environmental problems. Unlike traditional corporations, Certified B Corps are legally required to consider the impact of their decisions on all stakeholders.



Global Sustainable Business Goals (SDG) winner: Goal 1 (No Poverty) & Goal 2 (Decent working conditions and economic growth)



Outland Denim is the only company to receive the inaugural Global SDG award in more than one category. The Global SDG Awards, judged by an expert panel including Google Sustainability Officer Kate E. Brandt and Patsy Doerr, Global Head, Corporate Responsibility, Sustainability and Inclusion for Thomson Reuters, are an international sustainability initiative designed to increase private sector engagement with the United Nations Sustainable Development Goals (SDGs).

Australian Small Business Champion Award winner 2019 (Fashion)



The Australian Small Business Champion Awards is the only national recognition program for Australian small business, and recognises outstanding small businesses that encourage high standards of excellence while contributing to the vitality and prosperity of communities across Australia.

Rated A+ in the Ethical Fashion Report - 2019

Outland Denim is one of only two brands to receive an A+ grade across all 5 criteria assessed as part of Baptist World Aid's Ethical Fashion Report. The 2019 Ethical Fashion Report grades 130 companies representing 480 brands from A+ to F, based on the strength of their systems to mitigate against the risks of forced labour, child labour, exploitation, and harm to the environment in their supply chains.



Common Objective Sustainable Fashion Leaders 2019



Common Objective, a networking platform designed to connect brands and suppliers with like values in the fashion industry, saw 700 brands apply for the inaugural award. The 10 award winners were selected from a shortlist of 41 by judges including representatives of Vogue, GQ, and the British Fashion Council. Fellow winners include Stella McCartney, Bottletop, and Indigenoux.

James Bartle recognised as one of Internet Retailing's Top 50 people in e-commerce - 2019



Internet Retailing's annual Top 50 people in e-commerce recognises the biggest and brightest talents in Australia's e-commerce industry based on four areas of criteria: contribution to the commercial success of the business, knowledge sharing with the industry, innovation within the business and positive impact on the broader community, including customers, shareholders, employees or others.

Eco-Age Brandmark

Outland Denim is one of the first brands to receive the Eco-Age Brandmark, an initiative by Eco-Age, Founded by Livia Firth. The Brandmark is awarded to brands that have been validated by Eco-Age and meet the Eco-Age principles for sustainable excellence.



Global Fashion Agenda Associate Partner



Hosts of the annual Copenhagen Fashion Summit, Global Fashion Agenda are leading the way for collaboration in all areas of sustainability within the fashion industry. They encourage collaboration over competition and are making a true impact on the future of fashion by facilitating meaningful connections between brands and sustainable solutions.

Shortlisted - Thomson Reuters Stop Slavery Award 2018



In 2018 Outland Denim was one of six brands shortlisted for the Award, launched in 2015 by the philanthropic arm of the world's biggest news and information provider. It is the first global recognition for businesses that have set a gold standard in efforts to eradicate forced labour from their supply chains. Fellow nominees included Apple, ABP UK, Thai Union Group and Unilever; with Apple and Unilever both winning the award in 2018.

MR Magazine's Social Responsibility Award winner - 2019



The annual MR Awards recognise industry innovators who have had a profound impact on the men's apparel and accessories business.

Awarded the Anti-Slavery Australia Freedom Award for 2019



Awarded in recognition of outstanding contribution to combatting modern slavery in the fashion industry.

2019 Rivet 50



Founding CEO James Bartle was named one of Rivet Magazine's 50 Most Influential People in Denim for 2019.

B Corp Best For The World 2019 Honoree



Outland Denim was among the top 10% of all B Corporations in the area of Community for 2019.

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Manufacturing Facility Goals for 2020 - 2025

First Tier

Outland Denim, in addition to its own internal audit and assessments, is supported through the following external avenues in monitoring and evaluating its performance in the area of human rights.

Education and Staff Support Goals

<i>ENGLISH</i>	<p>Redesign, facilitate and replicate industry specific English program - aimed at garment employees with low levels of literacy and education. Improve English-speaking and listening skills.</p> <ul style="list-style-type: none"> • As at May 2019, 92% of Outland Denim employees have expressed a desire to learn English language. • 94 employees were assessed in April 2019 and scored on average 33 out of 75. Therefore approximately 44% proficiency on the basic English Language Assessment. <i>Basic Conversation (Average score - 5 of 15), Letter Recognition (10.7), Number Recognition (8.5), Colour Recognition (4.5) and Item Recognition (4.7)</i>
<i>MENTAL HEALTH</i>	<p>Develop, facilitate and replicate Mental Health program - aimed at employees with low levels of literacy and education, that have experience exploitation prior to their employment with Outland Denim. Improve self-care, mental health and, therefore, workplace productivity and satisfaction.</p>
<i>GENERAL HEALTH</i>	<p>Redesign Holistic Health program providing support via education to improve employee, family and community health. Reduce sick leave and improve family health.</p>
<i>HUMAN TRAFFICKING AWARENESS</i>	<p>Redesign education that directly disrupts the human trafficking industry in locations victims are most commonly trafficked from. (Outland Denim would seek to see this training carried out across its supply chain partners also). Spread awareness to reduce instances of trafficking and exploitation.</p>
<i>FINANCIAL MANAGEMENT</i>	<p>Outland Denim will redesign its financial management program with goals to further increase savings, reduce debt, create awareness of dangerous debt (debt bondage), and train staff to plan ahead and budget.</p>
<i>ABOVE AND BEYOND EDUCATION SUBJECTS</i>	<p>Introduce additional educational topics such as nutrition classes, agriculture, environmental impact and leadership.</p>
<i>ON-SITE MEDICAL CLINIC</i>	<p>Outland Denim's holistic health program will provide support via in-house medical facilities and an international standard of professional health consultation to improve employee, family and community health. Reduce sick leave and improve family health.</p>
<i>PARTNERSHIP WITH NGO - COMMUNITY IMPACT EXPANSION</i>	<p>Outland Denim is looking into the possibility of collaborating with established NGO partners to further expand its reach in seeing holistic support around, not only the employees of Outland Denim, but their family and community members as well.</p>

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Impact Measurement Goal 2020 - 2025

Outland Denim is working with an impact measurement partner that has developed a methodology, that once customised, will provide a system that allows Outland Denim to capture data across each area of impact and influence, and have it centralised into one collection point. The impact data would be digitised and updated on a continuous basis to allow for clear communication and validation of impact, as well as helping to inform Outland Denim’s decisions towards zero exploitation.

Impact Measurement Areas and Desired Outcomes

<i>PEOPLE</i>	<ul style="list-style-type: none"> • Reduced instances of exploitation • Increase in quality of life • Enable transformation leaders
<i>INDUSTRY AND SUPPLY CHAIN</i>	<ul style="list-style-type: none"> • Reduced instances of exploitation • All Fashion = Ethical Fashion (transforming an industry) • Reduce Environmental Footprint
<i>COMMUNITY AND ECONOMY</i>	<ul style="list-style-type: none"> • Reduced instances of exploitation • Increase in Quality of Life • Economic Growth of Community
<i>CUSTOMERS AND PRODUCT</i>	<ul style="list-style-type: none"> • Reduced instances of exploitation • All Fashion = Ethical Fashion • Reduce Environmental Footprint • Best cost per wear ratio (true cost)
<i>ENVIRONMENT</i>	<ul style="list-style-type: none"> • Reduced environmental footprint
<i>INVESTORS</i>	<ul style="list-style-type: none"> • Impact on investment (Financial + Social + Environmental)

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Implementation at the Supplier Level

Human Rights - Denim to Cotton - Second and Third Tier

As consumer awareness grows about the behind-the-scenes machinations of fashion, brands and suppliers have to be stirred to embrace transparency as the new normal, rather than seeing it as going 'above and beyond'. We share with our suppliers that we are looking to lead the way in this area and that we need their support to do it.

Outland Denim has an extensive supplier procurement process that includes our [Ethical Trading Policy](#), verification of certifications held, an in-depth supplier assessment form, labour rights risk assessment, raw materials transparency, wage evidence, audit evidence and, as often as possible, in-person visitations to the facility by Outland Denim personnel.

Primary Material - Denim

Outland Denim's Primary denim supplier, Bossa in Turkey, has been visited twice by Outland Denim personnel. Working with transparent suppliers is of the utmost importance to Outland Denim and this supplier discloses in-depth annual audit information to Outland Denim.

The Primary supplier has disclosed the factory names and locations of its facilities for public publishing, as well as the details of the raw material suppliers.

All suppliers have signed Outland Denim's Ethical Trading Policy which can be viewed on the Outland Denim website.

Labour Rights Assessed on the Primary Supplier Level

- Regular and transparent audits
- Anonymous Grievance System
- Unions allowed
- Collective Bargaining Agreements in place
- Child & Forced Labour Policy

- Trainings provided by supplier:
 - Rights to freedom of association
 - Grievance System
 - Human Rights/Health and Safety

In addition to numerous other industry recognised certifications, the primary supplier holds the Global Organic Textile Standard (GOTS) to provide 3rd party verification that the social and environmental criteria standard is met from the gin level to final fabric.

Primary Raw Material - Organic Cotton

The denim Outland Denim sources contains cotton that has been grown on certified organic cotton farms in Turkey.

A representative from Akasya, an organic cotton farm agency, has signed Outland Denim's Ethical Trading Policy and they have been able to provide information on three independent auditors monitoring the farm level (3rd Tier).

- Organic EU (Control Union) - Turkey organic certification
- Joint Health and Safety Unit (OSGB)
- ISO 9001:2008 (Quality Management System)

By choosing organic cotton and eliminating toxic and harmful chemicals, farmer and family health is respected via cleaner ground, air, water and food supplies.

According to the Textile Exchange(7), organic cotton production has put nations rich and poor on par with one another. China, India, Tanzania, Turkey, and the USA are the top 5 growing nations. Higher financial returns help raise the local income, empowering farmers and elevating them into positions of leadership and governance within rural communities.

Outland Denim has plans to visit the farm level in person in 2020.

7. https://textileexchange.org/wp-content/uploads/2017/10/Textile-Exchange_Achieving-SDGs-Through-Organic-Cotton.pdf

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Supplier Level Goal for 2020 - 2025

Second and Third Tier

Supply Chain Project

Outland Denim has plans in development for a supply chain project that goes beyond compliance and traditional audit methods.

Outland Denim has conducted risk assessments on human rights abuses commonly found in the locations of both second and third tier primary suppliers, and has a goal to design what we consider to be a best practice, end-to-end solution for ensuring zero exploitation in textile supply chains.

Outland Denim has been in communication with numerous stakeholders including human rights based NGOs working in Turkey, organic cotton experts, other brands sourcing in Turkey, and an experienced modern slavery investigator who is supporting Outland Denim to pilot best practice supply chain methodologies to reduce exploitation.

Outland Denim would define a methodology (potentially with a certification processes) and once piloted with results, establish an assurance program to be adopted throughout the fashion industry to effectively monitor supply chains.

Phase One of the Supply Chain Project involves an in-person trip by Outland Denim Social and Environmental Impact Manager, in collaboration with industry experts, to the farm level of the supply chain. From this raw material level the Outland Denim team will work their way through the supply chain to the final product. Currently Outland Denim plans to have their team on the ground in Turkey in 2020.

LABOUR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

4. the elimination of all forms of forced and compulsory labour

5. the effective abolition of child labour; and

6. the elimination of discrimination in respect of employment and occupation



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Implementation at the Manufacturing Level

Labour - Outland Denim's Cut and Sew Facility - First Tier

Outland Denim has taken actions at its facilities to adequately ensure labour rights are upheld for all employees. Outland Denim's Cut & Sew Facility and Finishing Facility are very cautious to ensure that employees are hired without bias toward backgrounds, physical disability, gender, faith or ethnicity. Outland Denim's Employment Policies and Code of Conduct can be provided upon request.

Outland Denim has developed labour rights policies around areas such as: Child and Forced Labour; Gender Equality; Women's Rights; On-boarding NGO Clients (often from backgrounds of trauma); Grievance Policy; Media and Privacy; Ethical NGO Partnerships; and a Mental Health Policy.

Outland Denim has also taken the following measures to prevent labour violations in its facility:

- Outland Denim has dedicated a full-time employee to the role of Social and Environmental Impact. This role includes focus on the well-being and holistic support of our employees in Cambodia, as well as assessing the labour and environmental standards of supply chain partners.
- Outland Denim's Social and Environmental Impact Manager has been sent to training under Bureau Veritas on Internal Social Compliance Auditing as well as training around Living Wages with Social Accountability International.
- Outland Denim is aware of the challenges, dynamics and sometimes unintentional negative impact on one culture to another when working cross-culturally. Outland Denim has employed a part-time Cultural Connections Liaison to build a foundation of understanding and strengthen practises of working cross-culturally.

This consultation for management and employees, plus the hands-on support for team members of all nationalities, has ensured labour rights are understood from differing cultural viewpoints, established correctly and upheld in the best way possible.

- Outland Denim's Administration and Finance Manager has been sent to training courses on the Cambodian Labour Law, to ensure Outland Denim's practises at least meet, if not exceed, the minimum standards set by the local government.
- Grievance systems have been implemented that include the establishment of Shop Stewards, anonymous grievance boxes, anonymous phone numbers to call in the local language and one-on-one interviews. One-on-one meetings in the local language has proved to be a very effective way of bringing any concerns a staff member has to the surface. Upper management is informed immediately and action plans are discussed and put in place as soon as possible.
- Outland Denim has informed its employees about the grievance system and has supplied a copy of the grievance system in the local language to each employee.
- Due to the nature of the work Outland Denim does in working with employees from potentially traumatic backgrounds, Trauma Informed Care (TIC) training has been run for Outland Denim's management team members working in Cambodia. This training has been conducted by International Justice Mission (IJM).

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- Human rights, labour violations and corruption can easily slip under the radar for a company when communication is not clear and everyone is on a different page about what is important. Working cross-culturally, Outland Denim's management staff bring a myriad of valuable skills to the table. To enhance their capacity for effectiveness in their roles, we conduct weekly culture training modules focusing on unpacking the complexities of cross-cultural work while equipping staff with practical tools.. Through this training, our staff are better able to face labour and human rights violations, and corruption issues as they surface, in ways that speak to the root of what drives the issues to begin with.
- ELEVATE's Responsible Sourcing Standard provides a third party audit assessment on Outland Denim's Social Compliance standards at its Cut & Sew Facility. This audit takes place every two years and provides corrective action plans for Outland Denim management to review and utilize to improve its standards.

Implementation at the Supplier Level

Labour - Denim to Cotton - Second and Third Tier

Outland Denim's [Ethical Trading Policy](#), for all parties contributing to the supply chain, is firmly established on respect for human and labour rights. It has been set upon the foundations of The Ethical Trading Initiative Base Code, and, in turn, the International Labour Organization's Four Fundamental Principles and Rights at Work. Outland Denim requires all supply chain partners to meet or exceed the standard outlined in it's Ethical Trading Policy.

Criteria of this policy require that the company Outland Denim is seeking to do business with upholds the freedom of association and collective bargaining and the elimination of forced labour (including employee protection around recruitment fees), child labour and employment discrimination.

The Ethical Trading Policy covers the following categories:

1. No Forced Labour
2. No Child Labour
3. No Discrimination
4. Respect for Freedom of Association & Collective Bargaining
5. No Harsh or Inhumane Treatment
6. Safe and Hygienic Working Conditions
7. Wages Are Paid
8. Working Hours Are Not Excessive
9. Regular Employment
10. Traceability of Suppliers and Raw Materials
11. Health and Safety of products
12. Environmental & Community Awareness
13. Confidentiality of information
14. Legal Requirements
15. Code Implementation

Furthermore to the above policy requirements, Outland Denim has supported suppliers as necessary, by providing resources and examples of ways to create and/or strengthen their child labour remediation plans.

Outland Denim has provided information and explained concepts such as living wages and the importance of transparency, to further educate our supply chain partners.

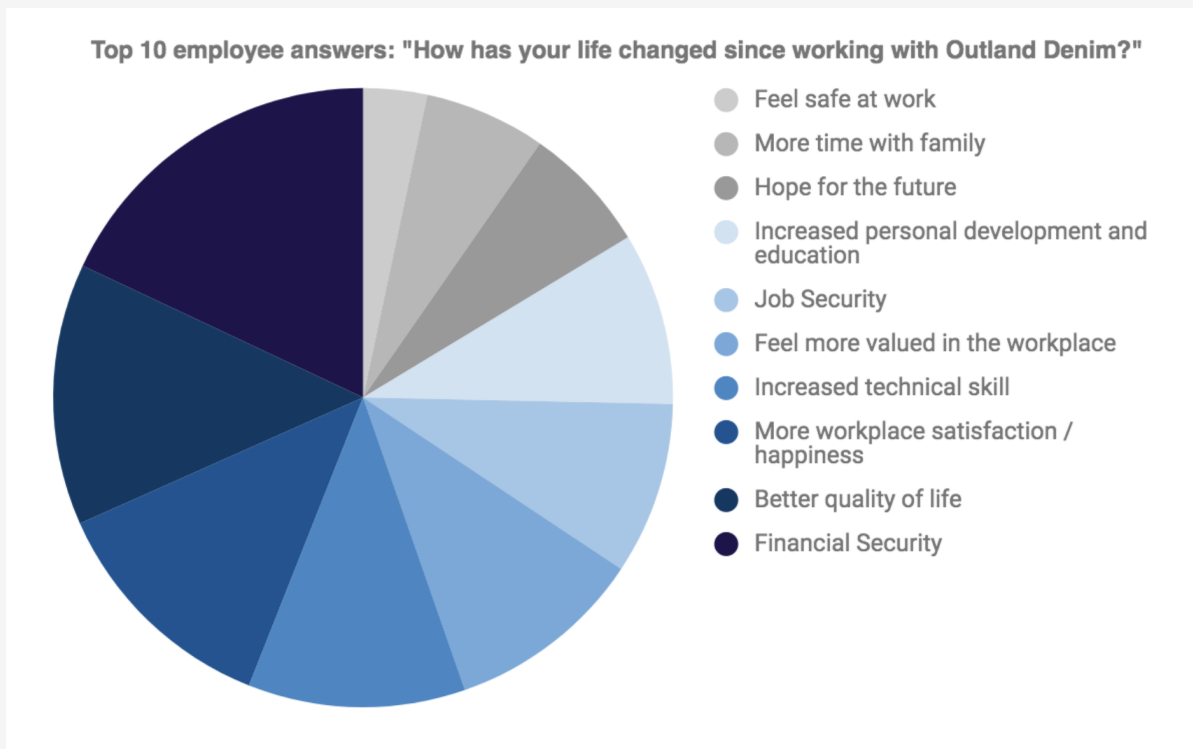
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Measurement

Outland Denim is proud to have a diverse workforce made up of a mix of backgrounds, genders, ethnicities, beliefs, ages and abilities.

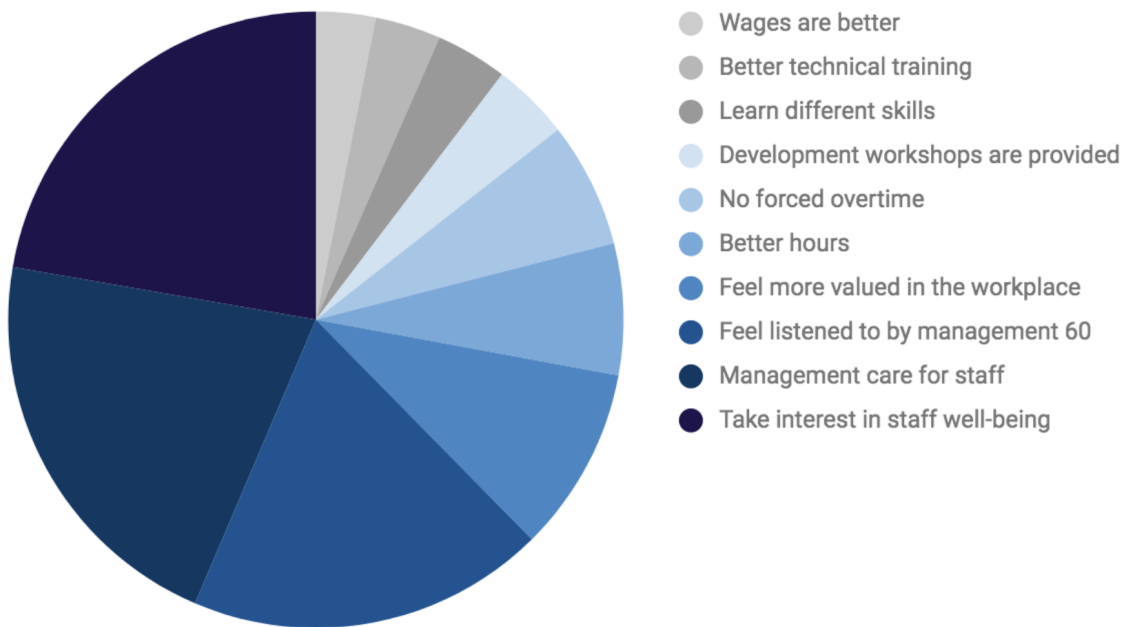
After six months of employment, Outland Denim conducts private interviews with employees at its Cut & Sew and Finishing Facilities. The following charts contain information from these interviews. In addition to internal interviews and anonymous surveys with employees, Outland Denim also allows for and encourages anonymous employee interviews for staff members to meet and share openly with non-Outland Denim personnel.

Following tables are accurate as of the 1st November 2019



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Top 10 employee answers: "How is Outland Denim different to other factories?"



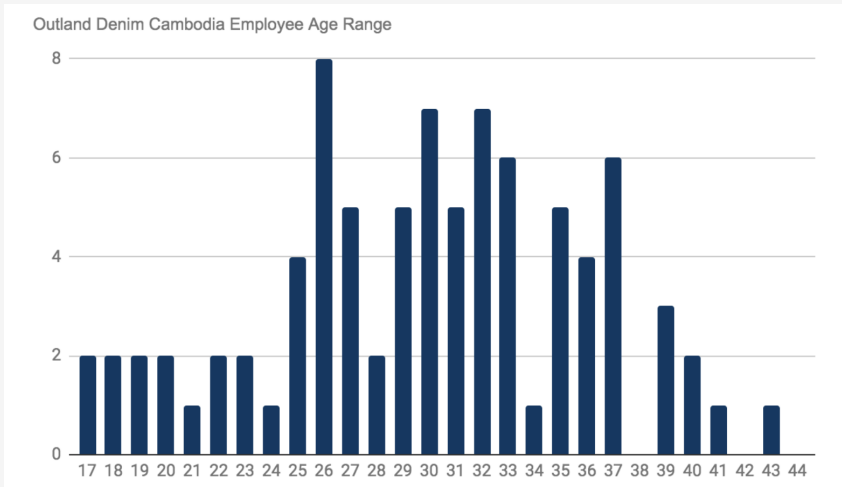
Outland Denim’s Cut and Sew and Finishing Facility - Employee Breakdown:

Following table accurate as of the 1st November 2019

	CUT AND SEW FACILITY	FINISHING FACILITY	TOTAL
Total staff	73	14	87
Expat staff	2	3	5
Local management	2	2	4
Mid level management	4	3	7
Support staff	2	2	4
Production staff	63	4	67
NGO background	9	0	9
% from NGO	14.29%	0.00%	13.43%
Men	6	10	16
Women	67	4	71
M/F ratio	8.22% / 91.78%	71.43% / 28.57%	18.39% / 81.61%
Trainee/apprenticeship	1	0	1

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- Employee ages range from 16 years old up to 44 years old. 76% of employees are between 26 and 37 years.
- 4.76% of Outland Denim’s production staff at the Cut & Sew Facility have physical disabilities.



Roles held by women in Outland Denim include: seamstress, section leaders, administration staff and management team members. Outland Denim values equality and women’s empowerment and seeks to foster and encourage this through its business model.

Primary Supplier (Denim) Facility - Employee Breakdown:

Following table accurate as of 20th August 2019

Worker Analysis

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.

Worker Analysis								Total
	Local			Migrant			Home workers	
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	1285*	0	0	0	0	0	0	1285*
Worker numbers – female	117*	0	0	0	0	0	0	117*
Total	1402*	0	0	0	0	0	0	1402*
Number of Workers interviewed – male	49	0	0	0	0	0	0	49
Number of Workers interviewed – female	3	0	0	0	0	0	0	3
Total – interviewed sample size	52	0	0	0	0	0	0	52

Including management and contractor employees*

- Ages range from 21 years old.

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TRANSPARENCY AND TRACEABILITY BEST PRACTICE HIGHLIGHTS

Outland Denim – Transparency efforts

Transparency is an essential part of Outland Denim’s brand identity on a moral, customer, and industry level. Its foundations are built on a desire to eradicate human trafficking by offering opportunity to those in vulnerable communities, in the form of training, stable employment, living wage, and education.

Transparency ensures that the practises of Outland Denim are continuously, internally scrutinised and held to the highest standard. It ensures that its ethos of #ZeroExploitation remains a constant, and that the success of Outland Denim and its staff does not come at the detriment of other people or the planet.

For customers of Outland Denim, transparency provides a connection to the maker that isn’t traditionally visible (much less, felt) in fashion. An increase in education surrounding the lifestyle and working conditions of garment workers has made consumers cautious of brands. Until it goes without saying that a garment was manufactured with respect to the maker and the environment, transparency is key in building this trust with customers who want to purchase from brands that mirror not only their style but their values, too.

Finally, at an industry level, transparency is a way for Outland Denim to demonstrate the effectiveness and power of its business model to other businesses who are on the journey to a more responsible supply chain or social enterprise model. It gives Outland Denim an avenue to

collaborate on solutions that will change the way garments are manufactured in the fashion industry.

“Culture, location and values are factors that contribute to the type of response we receive from suppliers on the topic of transparency. It can be a new, daunting concept to some suppliers when we ask to put information about their company online. To encourage their support in our endeavours,

we explain the value Outland Denim places on transparency, and we invite the supplier to set the bar high with us. We believe transparency is crucial to produce genuinely ethical fashion, so we seek to align with suppliers that hold these same values — desiring to transform the industry from the inside out.”

Leisl Lancaster, Social and Environmental Impact Manager, Outland Denim



Outland Denim seamstresses.

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Supply Chain Labour Goals - 2020 to 2025

- Outland Denim’s Supply Chain Project development and implementation (2020 - 2025)(8).
- Outland Denim’s Social and Environmental Impact Manager to visit organic cotton farms to monitor social standards. (2020)
- Monitoring farmers income to ascertain that fair cotton prices and wages are being paid. (2020-2023)
- Outland Denim’s Social and Environmental Impact Manager to visit all 2nd tier supplier facilities to ensure social compliance and that corrective action plans are being followed. (2021-2023)
- Create best practise support for supply chain partners with free training, plans and programs to improve social conditions for all workers. For example, child labour remediations plans, improved immigrant worker practises, training on trafficking awareness. (2021-2023)

ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;

8. undertake initiatives to promote greater environmental responsibility; and

9. encourage the development and diffusion of environmentally friendly technologies.



Environmental Sustainability Mission Statement

To significantly reduce the ecological impact of jean manufacturing and consumption through minimal energy and water consumption, as well as a reduction in waste, while encouraging customers and staff to consider the full life-cycle of their jeans through the issuing of post-consumer information and introducing interactive consumer programs and campaigns. We aim to work only with suppliers and stakeholders who share our environmental values and who are making efforts to improve their own sustainability practises to encourage a broader reduction in environmental impact and the preservation of our planet’s resources. Outland Denim’s Environmental Policy can be viewed [here](#).

8. As referenced under ‘Human Rights’

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Implementation

We believe in looking beyond transparency, to actively and collaboratively engage our suppliers throughout our supply chain in the discussion about sustainability and conducting business responsibly, and ensuring that they do, to the best of our ability.

Beyond our compulsory Ethical Trading Policy, which all Outland Denim suppliers must sign, our suppliers must have all the relevant certifications for ethical and environmental compliance, and also undertake regular external auditing.

Outland Denim has undergone an external auditing process through our participation in the published Baptist World Aid Ethical Fashion Report (in which we scored an A+). Outland Denim is also Australia's first B Corporation denim brand. B Corporation membership requires a strong commitment to the environment through policy and practise.

Additionally, we are also engaged with researchers, scientists and local enterprise to bring a new level of environmental practise into our business by working on projects that will reduce our carbon footprint and add environmental value to the communities in which we do business.

Outland Denim has employed an in-house Social and Environmental Impact Officer, which further demonstrates our commitment to these areas of our business.

The most significant area of environmental impact for denim production is the washing and finishing. It is for this reason Outland has chosen to create its own facility, made operational in 2019.

Introducing Outland Denim's first stand-alone Wash and Finishing Facility

Our classical production style, combined with state-of-the-art finishing techniques result in premium finished products with less environmental impact.

In the last 12 months Outland Denim has invested into its own finishing facility to be able to wash and finish the products with less environmental impact in comparison to traditional washing and finishing. Ownership allows for a unique level of care, control, oversight and monitoring of environmental standards. These standards are outlined in our Ethical Trading Policy and Chemical Management statement.

The following assertions surrounding the environmental impact reductions of the finishing facility, have been provided by the manufacturer of the machinery, until further data can be collected.

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MADE WITH LASER

Removing the need for water intensive washing and heavy chemical use makes laser production the most environmentally friendly washing process available to the garment industry today.

Investing in technology established by market leader Jeanologia, our use of Laser technology offers a whole new range of designs without compromising the integrity of our jean. By utilizing this state-of-the-art machinery, Outland Denim can offer water-wise fades, abrasions, whiskers and fabric distressing with excellent consistency.



MADE WITH E-FLOW

Uses up to 95% Less water
40% Less energy
90% Less chemical use than traditional techniques.

E-flow works by converting atmospheric air into nanobubbles, coated with just the right amount of water and chemical to create a 'nanobubble skin' homogeneously transferring both water and chemical onto the garment. This unique combination of digital programming and innovative science release just the right amount of input needed at each phase of the wash to produce numerous, high level finishing effects, without the use of pumice stones.

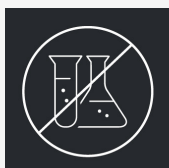


MADE WITH OZONE

Uses up to 65% Less water
20% Less energy
80% Less chemical use than traditional techniques.

Outland Denim replaces the traditional technique of using harsh chemical bleaching agents to age jeans with the use of Ozone, the greenest oxidising agent available. Ozone washing significantly reduces the amount of water, energy and chemical usage in this wash process while still producing the same authentic effect.

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MADE WITH ZERO HARMFUL CHEMICALS

We exclusively use Green-screen, Bluesign or Standard 100 by OEKO-TEX (R) certified chemicals, while following a strict adherence to the ZDHC Manufacturing Restricted Substance List (MRSL). In using sustainable chemical alternatives, the integrity of the product is not decreased, but the impact on the environment is. By eliminating hazardous chemicals such as heavy metals, alkylphenols and volatile organic compounds, the effect on the environment is significantly reduced.

CHEMICAL MANAGEMENT STATEMENT

Outland Denim is committed to ensuring safe and sustainable chemistry management throughout our entire supply chain. Outland Denim values every customer and staff members health and safety and ensures each process follows industry leading textile chemical management standards. Outland Denim is committed to reducing the amount of hazardous chemicals used within our manufacturing process and final products.

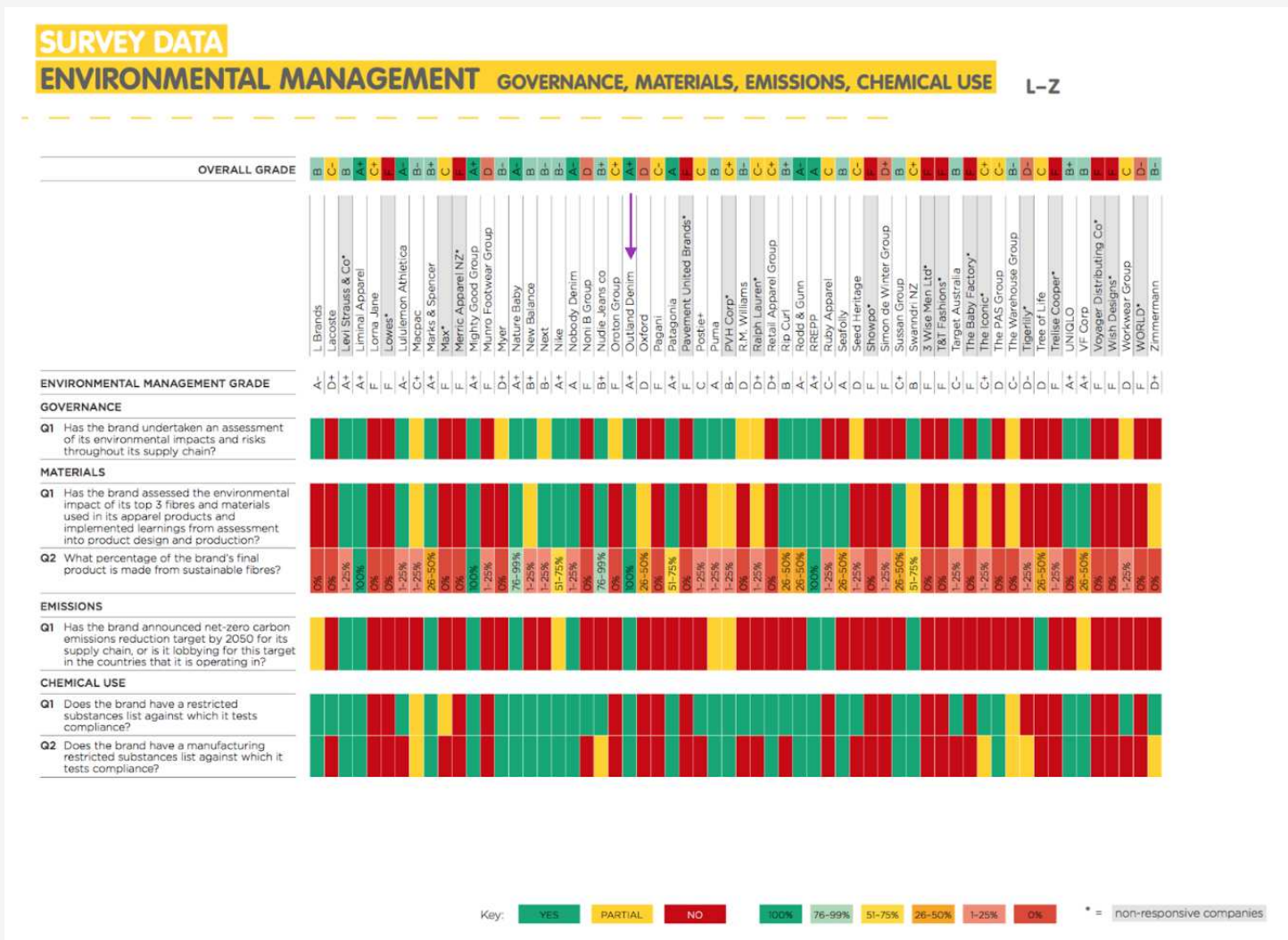
OUR CHEMICAL COMMITMENT

All manufacturing and wet-processing facilities must abide by the requirements the [ZDHC Manufacturing Restricted Substance List \(MRSL\)](#) Outland Denim has adopted. Final products and raw materials must meet the requirements of the [Apparel and Footwear International RSL Management \(AFIRM\) Groups RSL](#) Outland Denim has adopted. Outland Denim requires each supplier and its subsequent supply chain to meet the standards set by these chemical management lists. Outland Denim will ensure suppliers receive these lists and that both lists are regularly updated and checked against relevant research and legislation. Any suppliers that are not able to abide by the RSL and MRSL Outland Denim has adopted, must inform Outland Denim before the Supplier Ethical Trading Policy is signed. Outland Denim requests RSL and MRSL documents from all suppliers.

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Measurement

The following image is taken from the Baptist World Aid's Ethical Fashion Report. This report assesses the efforts of companies to mitigate their environmental impact. 11 questions were asked in order to measure a company's impacts on climate, chemical management practices, water usage, use of sustainable fibres, provision of take-back and repair programs, and completion of an environmental impact assessment.



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Energy Use and Carbon Neutral Initiatives

Outland Denim's Cut & Sew Facility has three solar panels installed. These panels are estimated to be providing about 7% of the electricity needed.

Outland Denim's chosen power supplier for our Australian headquarters is POWERSHOP, Australasia's largest 100% renewable generator. POWERSHOP is certified carbon neutral, and was ranked Australia's greenest power company by Greenpeace for two years running.

Outland Denim employees use Goodwings wherever possible, to access 100% carbon neutral hotel stays for their professional and personal use. Goodwings also support a nonprofit charity from each booking commission.

Recycling and Other Environmentally Friendly Initiatives

Outland Denim prioritises suppliers that have implemented environmentally friendly practices in their production operations.

- Outland Denim's pocket lining is now being crafted from 35% recycled polyester. The recycled polyester is made from REPREVE, a fiber made from recycled plastic bottles. 100% of the wastewater from the facility manufacturing the pocket lining is recycled.
- Outland Denim used recycled cardboard for the pocket tops, attached to the back-pocket of each pair of jeans.
- Outland Denim sources buttons, burrs and rivets produced with recycled metals.
- The denim mill Outland Denim sources from uses a water-saving dyeing process saving 87.5% water. The denim mill has conducted reports for reductions on pollution and global warming. It has been working to divert waste from landfill through its product recycling initiatives.

The denim mill holds the Global Organic Textile Standard (GOTS), Oeko Tex Standard 100, ISO 14001:2004 Environmental Management Systems Certificate, Global Recycle Standard (GRS), Recycle Claim Standard, ISO 50001 Energy Management System Certificate and ISO 9001 Quality Management System Certificate.

- Outland Denim's zipper supplier utilises water recycling during their dyeing process. The mining of metal for use in zippers and studs for jeans can cause a multitude of environmental impacts that are felt for generations. Outland Denim is reducing its impact by using a supplier that is part of the Zero Discharge of Hazardous Chemicals Initiative (ZDHC), which aims to reduce the usage of hazardous chemicals and their discharge into the environment. The supplier is also Standard 100 by OEKO-TEX® Certified as evidence that their products and practices have been tested against harmful substances.
- Outland Denim's thread supplier is safeguarding environmental health by being part of the ZDHC Initiative; reducing greenhouse gas emissions; increasing usage of biofuels; controlling effluent water in accordance with local legislation as well as their own global standards; and being ISO 14001 'Environmental Management Systems' certified. They also hold Standard 100 by OEKO-TEX® Certification as evidence that their products and practices have been tested against harmful substances. The supplier recycles plastic for use in the company's facilities and, with their effluent treatment plant, they are able to recycle up to 95 per cent of the water used during the dyeing process.
- Outland Denim's leather brand patch supplier adheres to European restricted substance lists, recycles 40% of the water used, utilises solar and significantly reduces the consumption of natural gas and release of CO₂.
- Outland Denim's supplier of Jacron (vegan) patches, have established environmental improvement programs in the areas of OHS, production, safety, water and air emissions. The patches are made with zero harmful chemicals.

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- Outland Denim uses cardboard boxes produced locally to our manufacturing facility, which reduces carbon emissions. These boxes contain 50% recycled content and are for shipping stock from the Cut & Sew Facility to the brand headquarters.
- To protect the denim products en route to our global stockists, Outland Denim garments are shipped in certified EN 13432 biodegradable bags made with 40% cassava starch.
- Outland Denim recognises that a lot of waste can be found at the shipping stage of an e-commerce business. To combat this each Outland Denim piece bought online is delivered to our customers in a recyclable and compostable cardboard box from Austcor, members of the Australian Packaging Covenant Organisation, that has been designed for easy re-use in the event a return or exchange is required, as well as a 'thank you' card made from 100% post-consumer waste by PrintTogether.

Our order information envelopes are sourced from NovaPress and are made out of 100% recycled stock. Austcor boxes are made with 64-68% recycled cardboard content.

- Outland Denim has partnered with universities to find long-term solutions and create best practice in relation to the circular economy.
 - Outland Denim is currently preparing to donate unsold stock to a not-for-profit that is distributing good quality clothing to disadvantaged Australians.
- To date, Outland Denim has donated textile waste to:
- not-for-profit social enterprises and NGOs for training, sampling and product development purposes;
 - University students for education, research and design projects;
 - artists for artworks designed to raise awareness of ethical fashion and the people behind the products we purchase;
 - researchers looking into various textile waste solutions;

Company Environmental Goals for 2020-2025

The Water Project Goals

1. Re-use 100% of viable water used in production.
2. Provide all staff and their families with clean & affordable drinking water.
3. Utilize rainwater where possible for industrial use.
4. Be a subject of a case-study evaluating the effects of water recycling on water & plastic pollution in the garment sector.
5. Provide water & safe sanitation education to Outland Denim staff and surrounding communities.

Cambodia's wastewater treatment and purification systems are underdeveloped and do not meet the needs of Cambodian civilians. As a result of the combination of industrial pollution and insufficient treatment, four million Cambodians do not have access to safe drinking water. As international aid continues to further its impact in rural and underdeveloped communities providing water and safe sanitation, the impact of sustainable industrial water practices has not been improved. Two of Cambodia's largest export markets, garments and rice, are both heavily reliant on water, however the effect of water use in the garment industry has downstream effects on the environment and economy. Pushing the Cambodian garment sector to recycle and reuse textile wastewater will stimulate international importing of filtration technology, develop generational environmental and wastewater engineers, and significantly reduce water pollution and use.

Investment in this area will help achieve the Royal Government of Cambodia National Action Plan to ensure every Cambodian has access to water, sanitation and hygiene by 2025.

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The Waste Project Goals

1. Pilot a textile recycling facility in Cambodia.
2. Establish a plastic free facility.
3. Utilize rainwater where possible for industrial use.
4. Allow all Outland Denim Customers to reuse / recycle their garments.
5. Reduce overconsumption & non-value products (NVP).

Waste is a key issue facing the globe right now. With growing populations, increased consumption and unsustainable resources, the issue of waste needs to be addressed. From the use of raw materials, to the life span of products and avenues of recycling, companies need to start thinking about the products they are using and producing to ensure that it is not only economically sustainable, but environmentally. With an overabundance of textile waste being generated amongst the industry, textile manufacturing has a lot to answer for. Finding sustainable solutions to textile recycling will allow for a greater utilization of raw material energy inputs, while reducing secondary pollution and landfill masses.

The Carbon Project Goals

1. Create a product that is 100% carbon neutral.
2. All manufacturing facilities utilize renewable energy.
3. Conduct a Life Cycle Assessment (LCA) measuring the impact of Outland Denim's Carbon Footprint.
4. Allow all Outland Denim Customers to reuse / recycle their garments.
5. All domestic & international logistics are carbon neutral.

The manufacturing of textiles accounts for more than 1.2 billion tonnes of CO2 equivalent per year, contributes 5% of the total global emissions and accounts for more than 706 billion Kg of CO2e through the production of polyester for textiles. By creating business models that are focused around utilizing renewable energy, make conscious decisions about shipping and logistics & act to reduce the excessive consumption of raw materials, the CO2 impact will decrease.

Raw Material Environmental Goals for 2020

- Outland Denim aims to further reduce its environmental footprint through increasing its use of buttons, burrs and rivets crafted with more sustainable colours and finishing processes. Outland Denim is looking into a range of sustainable metal colours made without any electroplating processes. By eliminating the electroplating process, the sustainable metal colours use less water and less chemical substances as well as saving electricity usage and thermal energy. No harmful substances are used due to removing any galvanic process during production. The sustainable metal colours provide a solution that will confidently minimize Outland Denim's environmental footprint.
- Outland Denim commits to changing its thread over from a core spun poly cotton thread, to EcoVerde, a 100% recycled premium polyester core spun thread. Waste plastic is collected from various industrial and post-consumer sources. Used plastic (PET) bottles are a significant proportion. These are collected, sorted, cleaned, ground to flakes and then melted down and extruded into the fibre and filaments from which EcoVerde sewing threads are made. Because it consists entirely of recycled plastic fibres, EcoVerde has a significantly lower carbon footprint than virgin fibres.
- Outland Denim aims to begin using Natulon Zip Tape as it is made from recycled materials, such as PET bottles and other post-consumer materials using the latest material recycling technologies.

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- Outland Denim will introduce two new denim qualities for the next production run. One quality is 100% organic cotton, reducing the release for microplastics during wash and the use of synthetic fibres. The second new denim offered will be constructed with 43% lyocell 40% recycled cotton 17% organic cotton, to increase Outland Denim’s use of recycled content in its products.
- Outland Denim’s hang tags will soon be produced using recycled paper. Recycled polyester thread will be used as string to attach the hang tags to the products.
- Outland Denim has a goal to change the interlining of its jean waistbands to an option crafted using recycled polyester fibres. We hope to be able to begin utilising this new recycled interlining in 2020.

ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.



Due to Outland Denim’s zero tolerance for corruption, Outland Denim’s Ethical Trading Policy states:

Outland Denim, its manufacturers and suppliers, shall carry out their activities in an honest, upright and transparent way, keeping for these purposes an appropriate accounting records system that facilitates the traceability of their decisions, as a preventive measure versus any type of corruption, bribery and extortion that might arise.

Manufacturers and suppliers shall not manipulate or influence their workers, nor shall they forge any files or records in order to alter the verification process regarding compliance with this Code. Our company persuades through prices, performance, quality and suitability of its products and services. We expect the same of our partners, manufacturers and suppliers. No personal advantages may be requested, assumed offered or granted for a preferential treatment in connection with the negotiation, placement or execution of an order. As a rule, no personal advantages may be offered or granted to officials, including officials from foreign states. As a rule, no gifts shall be granted or accepted. Exceptions apply only with generally customary occasional or advertising gifts and with gifts, which correspond to custom and politeness in a country.

Manufacturers and suppliers shall neither offer nor accept remuneration of any kind, which seeks, or may be perceived to seek, to affect the impartial judgment or the objectivity of such parties appointed by Outland Denim to carry out inspections and compliance audits in connection with this Code.

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Implementation

Risk Assessments for Supply Chain Partners

In addition to the Ethical Trading Policy, Outland Denim addresses the issue of corruption in its supply chain by conducting risk assessments of its main supplier locations. This informs Outland Denim around the monitoring and assessing techniques required to investigate for forms of corruption in various locations.

Employee Training

Outland Denim has organised training for a senior member of management in the role of Finance and Administration, in both Labour Law and Taxation to ensure Outland Denim’s compliance with government regulations. Training has also been provided by Bureau Veritas, to Outland Denim’s Social and Environmental Impact Manager, on Social Compliance. One of the ways Outland Denim works to combat and address the root causes of corruption, is by investing in the education and training of its employees.

In 2019, Outland Denim has begun running workshops during work hours, on the company values. These values are:

1. **Integrity:** សេចក្តីសុចរិត/
2. **Honesty:** ភាពស្មោះត្រង់
3. **Honour:** កិត្តិយស
4. **Generosity:** សប្បុរសធម៌
5. **Excellence:** ភាពល្អឥតខ្ចោះ

At Outland Denim we have been teaching our staff what it means to be people of integrity and honesty, two of our company values. Within both of these trainings, the staff learn that integrity requires honesty and honesty requires integrity. A person of integrity knows what is right, thinks what is right and does what is right, even if no one is looking.

A person who is honest, says and does what is true, including following the laws of the land and company. They do not say one thing and do another. Outland Denim training workshops also talked about how when we choose not to practice these values, we actually are only thinking of ourselves and immediate short-term rewards, which undermines the company, individual livelihood, the families that depend on this livelihood, the communities we contribute toward, and even sometimes to wider impact of our countries and our world.

Looking at the values in this way, is a way of standing against corruption by promoting what irradiates it. In breakout groups during the trainings, staff worked through how it would impact their families, communities, country and world if they lived out the values we learned. Each group recognized a number of benefits in each of those categories.

Foreign Management Training For Management Working Cross-Culturally

Human rights, labour violations and corruption can easily slip under the radar for a company when communication is not clear and everyone is on a different page about what is important. Working cross-culturally, Outland Denim’s management staff bring a myriad of valuable skills to the table. To enhance their capacity for effectiveness in their roles, we conduct weekly culture training modules focusing on unpacking the complexities of cross-cultural work while equipping staff with practical tools. Through this training, our staff are better able to face labour and human rights violations, and corruption issues as they surface, in ways that speak to the root of what drives the issues to begin with.

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Accounts

Outland Denim has staff in Cambodia and Australia employed to closely monitor transactions and accounts systems. The information goes through a third party accountancy firm, an internal Bookkeeper, Operations Manager and Finance Manager, however, the CEO is also directly accessing account and transaction information. Outland Denim accounts are closely monitored to ensure identification of any suspicious payments which could be related to bribery or corrupt behavior. There has been no such incident reported in the period.

Other Anti-Corruption Initiatives

Outland Denim has honesty and integrity at the very core of its purpose and framework. Aligned closely with this is our commitment to transparency at every level as outlined in section 15.1 of our Ethical Trading Policy and with provision for verification of this in section 15.3.

As a certified B Corporation member, Outland Denim adheres to the high standard of governance and traceability required by B Corporations and actively supports and engages with other business within this body to further in a holistic way what it means to be a 'business for good' - including ethical and transparent processes and operations.

Membership and engagement with other bodies seeking transparent and ethical behavior from business, such as The Freedom Business Alliance, Fashion Revolution, Anti-Slavery Australia, Baptist World Aid and International Justice Mission (to name a few) demonstrate our firm commitment to go above and beyond compliance with regard to ethical and transparent business behavior to benchmarking and advocacy in this space.

Outland Denim has not been involved in any legal cases, rulings or other events related to corruption and bribery. Outland Denim has an external audit company to conduct audits of the facility every two years. Once complete, this report is reviewed immediately by senior management.

In the instance of a situation of possible corruption being found in connection to Outland Denim's business operations or partners, Outland Denim's grievance policy and system can be engaged to take the information or concern to the correct channels of senior management.

As Outland Denim seeks to pursue zero exploitation in every aspect of its business, all concerns are taken seriously and third party consultation, as well as the necessary law enforcement channels, are utilised to assist in appropriately handling the situation.