

OUTLAND DENIM

2021 Impact Report

July 2020 - June 2021



A Letter From James



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. In this Impact report we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our primary channels of communication.

In writing this letter, your first impression of our 2021 Impact report, I really wanted to set a hopeful tone for the year, for the report, for the fashion industry as a whole. Which may seem naive given the enormity of the challenges we currently face not only in fashion, but in the world.

2021, ten years on from the establishment of the UN Guiding Principles by the Human Rights Council in 2011, (a set of guidelines to prevent, address and remedy human rights abuses committed in business operations) the same year we began laying the foundations for Outland Denim, it is quite clear that we still have a way to go.

It is unconscionable that 40.3 million people remain trapped in modern slavery¹, and that many more remain vulnerable as a result of COVID-19 and poverty.

We believe that the global fashion industry has a crucial part to play in not only meeting the bare minimum in human rights but in lifting the standard of what we believe to be the minimum for human dignity.

If one in eight working people rely on the industry for their income and also their sense of being in the world, yet only 2% enjoy a living wage, then the industry needs to take a hard look at how it can implement, quickly, the necessary standards to lift its game². This includes, of course, allegiance to the Guiding Principles. But beyond this, committing to doing better at all levels.

At Outland Denim, we are located close to the "garment factory of the world" in South East Asia. Some 60 million garment workers are our neighbours, including those we employ through our direct operations in Cambodia. We encourage those operating within the fashion industry globally to not only do their supply chain due diligence but to invest into relationships with their suppliers in these countries.

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

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

In our age of information overload and the quickened pace of social media it's tempting for brands to jump on the latest trend in sustainability without looking at the wider view of who and what it is actually affecting.

By now you're probably thinking, well James, if your goal was to instill hope you're failing. But while there is still a lot of work to be done, we need to find hope in reflecting and recognising the positive steps made in the past 12 months, the truly life-changing wins made - something that is difficult to do on a day-to-day basis until reports such as this come around. Wins, when scaled, are the blueprint to larger positive change.

“

Simply by investing more in the supply chain, adding rather than detracting value from each step along the way, we can create an industry that is truly prosperous and not only in an economic sense but in a humanitarian and environmental one.

So, I hope you don't mind me using my piece of real estate in this report to celebrate a few of these wins from the past 12 months:

- During COVID-19, Outland Denim not only retained but welcomed even more staff members, some of which had lost their jobs due to the pandemic. We experienced a 38% increase in staff since last year between Cambodia and Australia.
- 98.7% of employees shared education provided at Outland Denim with their families and communities. Taking into account staff numbers and the average employee household size, we believe the information from these education workshops is reaching well over 500 people, a year on year increase of 10%. Plus, 47% of employees have reported an improvement in their Khmer Literacy levels since working with us.
- We progressed beyond the lab trial stage to the commercial pilot stage of our textile waste program, and welcomed 852 new Outland Denim investors to help us realise this potentially industry-transforming vision among other projects.
- The opening of our new on-site library and medical centres for the benefit of our Cambodian team and their families.
- Achieving 100% traceability of cotton in our denim supply chain. A breakthrough seven years in the making, and a level of supply chain visibility almost unheard of in the industry.



But more than all of these wins, what really gives me hope is hearing the stories of our makers - the lives that you have transformed by wearing Outland Denim. So, let me leave you on that note, a hopeful one, with some words from just one of our newest makers who joined the team in the past 12 months.

James

James
Founding CEO



Thank you from Soboen

OUTLAND DENIM SEAMSTRESS

"Before, my life was so difficult when I worked with the garment factory. But since I came to work with Outland I feel I love working here and the factory has a good policy and conditions for the employees.

I have been able to share the education at Outland Denim with my family and my sister, who has a small child who's always sick, about good hygiene and healthy eating. I told them that I need to save money for my future too because I have learnt about how to manage money.

I can send some money that I get from employment at Outland to my parents at home and also save some money for my future expectation. With education here, I believe that I can use it in my daily life as needed.

I just want to say thank you so much to the people who buy and wear the jean or any Outland product. When you say Outland products are easy and soft to wear, you know I feel so proud and happy with what we make. Thank you for always support Outland products."

Our Manifesto



For too long fashion has come at the expense of workers and our environment. Unknown to us all, we've been made a part of this cycle.

We rebel against this. In fact, we're so opposed to how things have been done that we've built a different way, from the bottom up.

We're a brand dedicated to uplifting people and planet. No smoke. No mirrors. No greenwashing. Just genuine impact.

Who Are We

Have you heard the Outland Denim origin story?

It's hardly a conventional one, but then again, we're not a conventional brand.

As a quick Google search will tell you, Outland Denim was founded on high ground - both ethically and geographically. Born on an Australian mountain top and made with the makers in mind, our origins are with a guy named James who conceived of a plan to give jobs to young women who desperately needed them.

The idea being to support women who have come from backgrounds of modern slavery, exploitation, or vulnerability, not with charity, but stable and safe employment, that in turn allows them to support their family and contribute to the prosperity of their wider community. It's nothing above-and-beyond. Incredible things will happen when we simply do the bare minimum in providing people the human rights and support they deserve.

Fast forward a few years and James is sitting uptop a cafe in Cambodia with some bolts of denim, scissors and cardboard cutouts figuring out how to piece together a top-notch pair of jeans. All the while people were telling him he was mad because FASHION is a terrible industry to be in.

As it turns out, those people were right. Fashion IS a terrible industry to be in - it's mostly wasteful, hazardous to human health, fuelling environmental degradation and perpetuating human exploitation. The EXACT reason James got into the business in the first place!

But being a stubborn kind of bloke, James pressed on because sometimes you have to be the Robin Hood in a land of thieves; the last biscuit in the cookie jar; the sun breaking through on an overcast day.

An enduring penchant for good jeans and a cowboy heartbeat eventually culminated into a growing collection of effortless, timeless and coveted denim.

Unlike most brands, every Outland Denim garment is made in our very own production and finishing facilities, which allows us a degree of agility, security and traceability above those brands who outsource their manufacturing.

The ownership of our "first tier" manufacturing operations in Cambodia, in addition to our head office in Australia, also puts us in a unique place to manage our environmental, social, cultural and economic impact.

As a result of more enlightened customers (like you!), we have been able to realise our mission of giving work to survivors of human trafficking. This has placed Outland Denim at the forefront of sustainability and global citizenship in the fashion industry.

Our Team



141
Total Employees



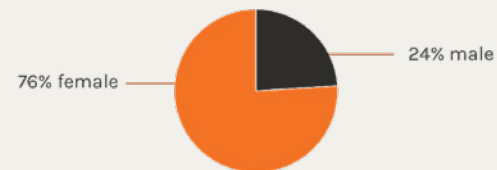
**38% increase in
staff since last year**

Outland Denim Australia



15 Team Members

Gender Breakdown



Management Team



Outland Denim Cambodia

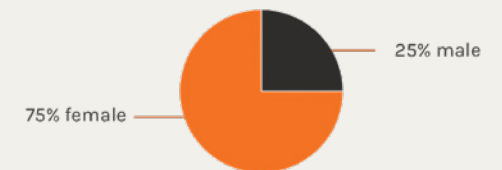


126 Team Members

62
Cut and Sew Facility

64
Wash and Finishing
Facility

Gender Breakdown

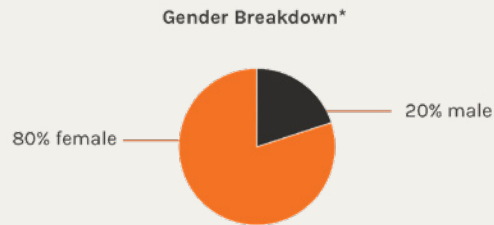


Management Team



Our Team

Outland Denim Investor Community



94% Australian Residents

73% Investments of \$1K or under

* Based on website analytics suggestions and trends

Unpaid Internship and Volunteer work policy

Outland Denim is privileged to attract and welcome a small group of internship and volunteer team members each year. We are grateful for the opportunity to provide a glimpse into the world of sustainable fashion for young people who are interested in pursuing a career in the field, while contributing to the unique Outland Denim story.

We offer a very limited number of placements each year with a focus on offering meaningful opportunities and high quality mentorship. Driven by an ethos of Zero Exploitation, our unpaid internship and volunteer work policy is guided by the advice and requirements of the Fair Work Ombudsman, Queensland.

Good For Humanity

Our passion for humanity and equality drive our every action.

We choose to celebrate the irreducible value of humanity by championing the vulnerable. Freedom isn't a buzzword at Outland Denim; it is a call to work. We do this day-by-day, changing the landscape of global business practice as we re-write the rule book. We uplift and advocate. We rebel against a 'them and us' mentality and believe in only 'US'. An outward focus and faith in humanity's potential underline our philosophy.

We're not afraid to dream, to think differently... even if it's Outlandish. We don't shy away from the big idea, nor reduce it with pessimism. Nor are our heads in the clouds. We are grounded but look with optimism to what could be.

What if by creating fashion you could empower the people who need it the most? What if you could heal the planet and turn back the damage we've inflicted? What if instead of always taking we could create a cycle that gives? What if it works?

We don't have all the answers or solutions... yet. But that's our dream and our commitment, and we are well on the path. Our feet face forward and that's where we must go.



2021 Highlights

1

Staff Increase

- 38% increase in total staff since last year. 50% increase in Cambodia alone.

2

Supply Chain

- 100% traceability of cotton in our denim supply chain

3

Worker Rights Advocacy and Education in Cotton Farming Communities

- Over 3.8 Million people reached
- Over 240K program engagements
- Over 300 calls made to worker concern hotline

4

Tackling Textile Waste

- We progressed beyond the lab trial stage to the commercial pilot stage of our textile waste program, and welcomed 852 new Outland Denim investors to help us realise this potentially industry-transforming vision among other projects.

5

Accessible Healthcare through the Outland onsite Medical Centres

- 97% of surveyed employees report now having access to health support and advice they can trust

6

Less Water, Less Energy, Zero Harmful Chemicals

- 97% of Outland Denim washes are categorised as 'Low Impact', as measured through third party Environmental Impact Measurement criteria. This accounts for all except 1 of Outland Denim's washes, which measures in the 'medium impact' category.

7

Holistic Education

- 98% of surveyed employees share the education provided at Outland Denim with their families and communities
- 80% of surveyed employees reported education and employment with Outland Denim had helped to improve their financial security.
- 47% of surveyed employees have reported an improvement in their Khmer Literacy levels since working with Outland Denim.

2021 Highlights



2022 Goals - Our Progress

See how we performed on our goals set last year. Visit page 55 of this report for a breakdown of our goals and progress towards them.



80% of GOOD goals achieved



40% of BETTER goals achieved



13% of BEST goals achieved

GOOD: A goal that we commit to achieve in the next 12 months.

BETTER: A goal we hope to achieve in the next 2 years should resource allow.

BEST: An overarching, long-term goal that we strive to achieve in 5 years.

2021 Highlights

We are incredibly proud of the achievements and goals that we have met in the past 12 months, particularly in the face of COVID-19. Here are just a few of the key goals we didn't quite reach by their deadline, and what we are currently doing to meet these goals.

1. Develop on-going water management program for our finishing facility.

(Progress made)

We are currently working on improving water filtration with the aim to incorporate water recycling. We experienced delays in completing this project due to being unable to find the appropriate local expertise/experience to implement the upgraded systems we are aiming for. We hope to achieve this in the next 12 months.

We have continued to improve our wash and finishing processes to further reduce environmental impact and water use. Each wash recipe and process is scored and tracked through the Environmental Impact Measurement (EIM) system by Jeanologia.

2. Continue research program into black dye alternatives that use organic or plant-based dyes.

(Progress made)

We have now updated all black denim to denim dyed using a process known as Saveblack. Through the Saveblack process, 85% water saving was achieved in proportion to

the conventional dyeing, therefore the same amount of decrease in wastewater was realised. In addition to this, we have expanded our range of undyed denim products.

We have continued to look into more sustainable alternatives for black denim dyes. Currently we have not been able to find a mill with the equipment we need to proceed in developing a complete solution, though we will continue to investigate options as more technology becomes available.

3. Further use of natural cellulose fibres and therefore reduced use of polyester.

(Progress made)

Outland Denim has prioritised the use of natural fibres as much as possible in its ranges.

Currently we have room to improve in this area and are continuing testing to further reduce the use of polyester and increase the use of natural alternatives in both denim and ready-to-wear collections.

4. Test durability by way of laundry test.

(Progress made)

Outland Denim tested jeans for 30 home laundries and performed 13 durability tests to meet their minimum test standard for jeans, verified by Outland Denim's Research and Development Engineer.

Outland Denim's next step is to organise a third party durability test for the denim. This has been delayed due to availability of affordable quality testing in local region of operation.

5. Outland Social and Environmental Impact Manager or representative of Outland Denim to visit organic cotton farms to research social standards.

(Progress made)

Due to COVID-19 restrictions, this has not been completed by an Outland Denim team member, however, Outland Denim's primary denim mill has initiated social compliance audits on key organic cotton farms supplying for our denim.

6. Diversify our marketing, imagery and influencer network. *(Progress made)*

Over the past 12 months we've been focused on diversifying our visual representation across our marketing, branding and influencer partnerships with a broader representation of both ethnicity and body shape. We still have some work to do in being able to address size diversity at both an ecommerce and brand content level. Our goal is to better reflect and visually represent our global community.

A cycle of free-dom.

Written by
Erica Bartle,
Communications
Director

At Outland Denim, we believe no one should be exploited in the making of your clothing. In fact, we believe that fashion can be the answer to crucial social change: creating a cycle of freedom rather than exploitation.

When a person is plucked from the clutches of modern slavery, given a safe harbour in which to recover from their trauma, and participates in planning for their future, they may be unaware of the inequalities that created their situation in the first place, or that they are an actor in the solution to a global injustice that affects an estimated 40.3 million people globally.³

But this quiet power of overcoming, and contributing to her own ongoing freedom through economic participation, and the acquisition of skills of value in the marketplace, act to fortify her against the exploitative forces that have stolen part of her own life and threaten the lives of so many other vulnerable people around the world.

What is more, her impact has a knock-on effect. This is what Professor Kevin Bales of Nottingham University has described as the "freedom dividend", or the idea that,

*"when freedom comes to formerly enslaved people, and includes the enjoyment of human rights, learning and training for job skills, access to medical and psychological care, something almost miraculous happens: a Freedom Dividend enjoyed by the whole society. This benefit spreads widely, increasing life satisfaction, economic attainment, and education levels, reducing health problems and improving lives along many other measures."*⁴

Research shows that women play a particularly critical role in social and economic development⁵ when given the opportunity. They typically invest a higher proportion of their earnings in their children and families, improving

outcomes for entire households, including investing in education, health and nutrition.^{6,7} Investing in women's empowerment is therefore essential to tackling poverty and reducing inequalities.



The Outland Denim Model

At Outland Denim, we believe that by disrupting the conventional ways of doing business, and by working collaboratively, we can create a world where fashion, a US\$3 trillion industry⁸, can be used as a force for good to create the "freedom dividend".

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

On an individual level, there is measurable positive change in education, health, housing, socio-economic standing and feelings of ambition, hope and empowerment. Staff have reported a low debt load, higher saving frequency, ambitions for their children, feelings of empowerment and detailed plans for the future.⁹

There is strong evidence that steady employment and a stable financial situation contribute positively toward the empowerment of survivors of modern slavery.¹⁰



- **Women and girls account for 71 per cent of victims of modern slavery total;**¹¹
- **That is one in 130 women and girls globally;**¹²
- **Women and girls represent 99 per cent of the 4.8 million victims of forced labour in the commercial sex industry and 58 per cent in other sectors;**¹³
- **Of the 24.9 million people in forced labour, 16 million people are exploited in the private economy;**¹⁴
- **"Modern slavery" is used as an umbrella term for different forms of severe exploitation, including trafficking in persons, forced labour and forced marriage.**

Addressing injustice

From its inception Outland Denim has been about addressing humanitarian injustice, and in doing so we join a passionate group of policy and law makers, abolitionists, researchers, NGOs, charities and business leaders around the world who have been paving the way for a fairer world - one in which commerce does not compromise human rights.

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

Fashion is one of the top five most exploitative industries on the planet coming second behind tech. The Global Slavery Index's 2018 report, published by the Walk Free Foundation, states that \$127.7 billion worth of garments at risk of including modern slavery in their supply chain are imported annually by G20 countries, a group of nations which account for 80 per cent of world trade¹⁵ and 85 per cent of the world's GDP.¹⁶

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

Slave labour hides within complex, opaque global supply chains, from the cotton fields to the mills and factory floors, which is why brands need to invest heavily into transparency about their operations, lest they be found complicit in exploitation, even if indirectly.

With countries such as Australia enacting Modern Slavery legislation (Modern Slavery Act 2018)¹⁷ businesses are starting to see the necessity and advantage in compliance with even the most basic of human rights principles.¹⁸

As a business founded to actively address instances of modern slavery, we are acutely aware of the need for the global business community, and fashion industry in particular, to contribute to the prevention of forced labour and uphold human rights for all. Better still, the improvement of human rights and wellbeing across the value chain should be fashion's social responsibility mandate.



The global garment trade

Many people are excluded from legitimate labour market opportunities owing to underlying inequalities, such as poverty, gender, and circumstances of war and conflict, which leaves them vulnerable to exploitation by opportunistic employers and unregulated industries.

The ILO says,

*"All too often, the lack of income or other means of financial support compels workers to engage in jobs that are informal, offer low pay and provide little or no access to social protection and rights at work. This is especially the case with the 1.4 billion own-account and contributing family workers in low- and middle-income countries, who are typically employed informally, work in vulnerable conditions and earn a much lower income than people in wage and salaried employment."*¹⁹

“

... we are acutely aware of the need for the global business community, and fashion industry in particular, to contribute to the prevention of forced labour and uphold human rights for all.

Globally, less than half of girls aged 15-19 are in school.²⁰ Female youth aged 15-29 are three times more likely than male youth to be outside the labour force and not participating in education.²¹ However, girls' aspirations to work are not lining up with reality. Almost 70 per cent of economically inactive female youth aged 15-29, who are not in education, indicated that they wish to work in the future.²² UNICEF says:

*"Once a girl (not in education) becomes economically inactive, she tends to remain there. One third of currently economically inactive female youth (33 per cent) had no prior work experience, indicating they moved directly into economic inactivity, compared to just 18 per cent of currently economically inactive non-student male youth. This lack of prior work experience can limit female youths' future job prospects since prior employment serves as a signal of an individual's future labour market potential."*²³

Many impoverished families simply lack the resources for schooling, and many young girls need to work - and migrate for work - to support their families. Many of these young women wind up in the global garment industry.

Of the estimated 75 million people working in garment factories, 80% are women between the ages of 18 and 35²⁴, and many migrate to start their first job in a garment factory. While organisations such as Better Work exist to ensure better conditions and pay for workers in the global garment trade, the industry is also notorious for exploitation.

For undereducated, underprivileged women, there is a stark lack of good opportunities. This leaves them highly vulnerable to exploitation. The fashion industry takes advantage of this desperation for work seizing on the gap in the "socio-ecological factors that impact young women's choices, agency, and ability to make a safe transition towards economic empowerment".²⁵

For many of the estimated 65 million garment workers in the Asia-Pacific region²⁶, their job in the industry may be the first formal paid employment they have experienced.²⁷ Some argue that this figure underlines the formal garment sector's role in offering economic empowerment; others point to the low wages paid to these female workers.²⁸



While it has the potential to lift women out of poverty, and connect young women to the world of global trade²⁹, the global garment industry is infamous for poor conditions and low pay, a situation exacerbated by COVID-19.

The COVID-19 crisis caused a sharp decline in global trade in garments, largely in the first half of 2020. Imports from some of the main global consumer markets for garments declined sharply, as consumer demand collapsed, leading to widespread factory closures and adverse impacts for millions of workers. Garment exports of some garment-producing countries plunged by as much as 70 per cent.³⁰

The Business and Human Rights Resources Centre reports that more than three-quarters (77 per cent) of garment workers or a member of their household have gone hungry since the beginning of the pandemic as suppliers cut wages and closed factories.³¹

According to the Modern Slavery Index published in the Human Rights Outlook by Verisk Maplecroft, the risk of modern slavery in Asian manufacturing hubs has surged with the economic impact of COVID-19, increased labour rights violations and poor law enforcement:³²

"As more workers are pushed into the informal economy in countries where labour protections are already lacking, modern slavery risks will increase. Many laid-off workers are left with little choice but to turn to more exploitative forms of work to stay afloat."

The latest estimate from Clean Clothes Campaign is a collective loss of \$11.85 billion USD in income and severance for garment workers globally from March 2020 to March 2021.³³ These financial circumstances have forced many garment workers to access alternative forms of income, leaving them more exposed to forced labour and exploitation.³⁴



Poverty pay and poor conditions

One in eight of the world's working adult population - about 430 million people - works in the fashion industry, from growing cotton crops to sewing garments.³⁵ However, it is estimated that 181 million people involved in the industry - just over 2.2% of the world's population - are in vulnerable, or insecure, work.³⁶ The impact of insecure work can be devastating.

*"Those in precarious work are more likely to be in poverty.³⁷ Without adequate representation or workplace rights, workers are more vulnerable to exploitation and abuse, as well as health and safety violations. This affects both physical and mental health. With no guarantees of income, workers are unable to plan for their families' future, affecting decisions such as whether to pay for schooling for their children."*³⁸

Common Objective suggests work-related insecurity in the global garment industry supply chain manifests itself in several ways. Insecure, vulnerable or precarious work can have any of these characteristics:

- low pay;
- lack of social benefits such as sickness pay or pensions;
- lack of contracts or inadequate contracts – including 'zero hours' working;
- employment on a casual or piece-rate basis, including from home;
- greater risk of illness or injury; and
- lack of workers' rights or representation.³⁹

The garment industry as a whole is notorious for its low pay – indeed the pursuit of lower labour costs has driven fashion production to locate in low-income countries.⁴⁰

There is a large and persistent gap between what garment workers are paid as a legal minimum, and what they need for a decent standard of living.⁴¹ Minimum wages paid are on average 42% to 55% the amount of an actual living wage. Even where minimum wages exist, failure to pay them is a significant problem. According to the International Labour Organization, around 35% to 40% of workers are not paid the legal minimum.⁴²

UN Guiding Principles on Business and Human Rights clearly state the role and responsibilities of businesses to respect the human right to fair wages. This responsibility, "exists independently of States' abilities and/or willingness to

fulfil their own human rights obligations ... And it exists over and above compliance with national laws and regulations protecting human rights."

In other words, in cases where legal minimum wages fail to meet the minimum subsistence level (living wage) for workers in production countries – businesses have an obligation to remedy state failures.⁴³

Poor pay can drive families to send children to work at an early age instead of into education, curtailing their future prospects of getting out of poverty, thus maintaining generational cycles of poverty. Poor pay also entraps

mostly young female garment workers within cycles of "working poverty" with little time or the means to further their prospects and potential through education, skills acquisition or entrepreneurialism.

This creates a global deficit of decent education, training and job opportunities making people – particularly young women – vulnerable to exploitation in all its forms. Many of these young women are supporting their extended families in rural locations, typically supporting four or five family members. Remittances are used to pay for food, healthcare, and education, reducing the incidence of extreme poverty.⁴⁴

According to the ILO World Employment and Social Outlook 2021, "relative to 2019, an estimated additional 108 million workers are now extremely or moderately poor, meaning that they and their family members are having to live on less than US\$3.20 per day in purchasing power parity terms. Five years of progress towards the eradication of working poverty have been undone, as working poverty rates have now reverted to those of 2015."⁴⁵

This renders the goal of eradicating poverty by 2030 even more elusive. Creating stable employment opportunities is key.

“ Poor pay also entraps mostly young female garment workers within cycles of "working poverty" with little time or the means to further their prospects and potential through education, skills acquisition or entrepreneurialism.

Thank you from Rom Chang

"She's also been sharing with those in her neighbourhood what she knows about about human trafficking and sharing hotline phone number cards so they know who to call if they suspect a situation of human trafficking."

Rom Chang is a single mum providing for herself, two children, her mother and grandmother. She is the sole reliable income earner with limited safety net. She and her family members were entrenched in significant debt. She shared that she was trying to pay \$200 towards debt each month because she owes \$2000 (a very significant debt in Cambodia – over 10x more than the national minimum monthly wage). She'd left her former garment industry workplace to come to Outland Denim because she had not been afforded her basic rights under the international labour law. She had also been subject to workplace harassment. When asked, "What are your ambitions/dreams for the future?" she said that she wants all her debts paid off and wants her children to have a better life. She wants to see her kids study. They are where her strength to work everyday comes from. Today she is debt free and is able to help sponsor her nephew to go to school. She's also been sharing with those in her neighbourhood what she knows about about human trafficking and sharing hotline phone number cards so they know who to call if they suspect a situation of human trafficking.

Social Impact

Model



- **50% increase in our Cambodian team.**
- **85% of surveyed employees* were in the Moderate, High or Extreme risk categories when beginning their career at Outland Denim.**
- **76% of surveyed** employees have a reduced level of risk to exploitation after 6 months or more of employment, education and opportunities at Outland Denim.**
- **20% of new employees applied at Outland Denim after having experienced job loss due to COVID-19.**

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

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

Pillar One - Opportunity For People

Many survivors of slavery and exploitation have limited or interrupted formal education, caused by either the marginalization that led to their exploitation (e.g. experiencing homelessness) or the exploitation itself. This often limits the chances of survivors obtaining stable and well-paid work.⁴⁶ The Outland Denim opportunity pillar addresses the significant lack of opportunity for survivors of slavery and exploitation to participate in stable safe employment.

The Outland Denim hiring process typically involves either word of mouth or nonprofit referral. The employees who come to Outland through partner NGOs have typically experienced sexual exploitation and/or labor trafficking. The employees who come through word of mouth referrals have typically experienced workplace exploitation.

Outland Denim has created an internal system to assess the risk of each employee that comes to work with us at Outland Denim. We acknowledge that this system will need to continually strengthen and update to improve the quality of the data collection.

As we interview and get to know the employees that join our team, we are able to learn about their lives and collect data that helps us better understand their experiences of exploitation, modern slavery and/or their level of vulnerability to experiencing this.

The risk assessment takes into account higher-risk indicators such as:

- Escaping from a crisis situation (eg. evacuation from a war zone or disaster, COVID-19 job loss);
- Experience of trafficking or forced labour;
- A physical and/or learning disability;
- Entrenchment in significant debt;
- Referral from an anti-trafficking rescue organisation;
- Sole reliable income earner providing for one or more dependents;
- From a people group experiencing severe marginalization or discrimination; and
- More than 6-months of unemployment.

And lower-risk indicators such as:

- Subject to workplace harassment (verbal, sexual or physical);
- Not afforded their basic rights under the international labour laws (overtime/maternity leave etc.) in their last workplace;
- Received less than a minimum wage for their previous work;
- Did not have any regulated options for work due to a lack of education or experience;
- Felt fearful in their previous workplace (due to safety standards, intimidation etc.); and
- Found their previous work conditions detrimental to their physical and or emotional health.

The assessment completed with each employee generates a score that guides Outland Denim in deciding if the person is most likely from a background of low, moderate, high or extreme vulnerability to exploitation.

Of the employees surveyed when they first arrive to Outland Denim, our data* shows that approximately:

- 17% reported experiencing trafficking and/or forced labour;
- 6% are people living with a disability;
- 19% came from backgrounds of significant debt;
- 25% reported being the sole income earner for dependants;
- 19% came from backgrounds of long-term unemployment;
- 19% came from backgrounds of workplace harassment;
- 42% came from experiences of basic human rights violations;
- 19% were previously paid less than a minimum wage;
- 23% had limited work options due to education levels or experience;
- 23% felt fearful in their previous workplace; and
- 19% shared that their previous work was detrimental to their health

After six months of employment and over time, employees are surveyed again to determine if the level of risk to exploitation has been reduced during their employment with Outland Denim.

In the case of employees requiring mental health support, staff are afforded the time and space to meet with the mental health professional of their choice, which is typically the social worker or counsellor from their NGO. Outland Denim's medical staff can also encourage employees to connect with mental health support organisations as required.



- **100% of Outland Denim employees have the opportunity to earn a living wage.**
- **51% of surveyed employees reported that education and employment with Outland Denim helped them to decrease their debt (a YoY increase of 34%).**
- **80% of surveyed employees reported education and employment with Outland Denim had helped to improve their financial security.**

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

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

Pillar Two: A living wage

The Clean Clothes Campaign states, *"The right to a living wage has been recognized by the Council of Europe and by the UN in the Universal Declaration of Human Rights among others, but it is not respected in global production supply chains, even where legally set minimum wages are in place."*⁴⁷

The Global Living Wage Coalition (GLWC) defines a living wage as, *"Remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events."*⁴⁸

Outland Denim is guided by the Anker methodology⁴⁹, and data specific to its workforce, to calculate a living wage for staff members in Cambodia.

- Over 50% of employees received salary increases this year, due to skill progression or promotion.

Pillar Three: Skills acquisition

Unlike most production facilities, we aim to see our team experience and learn skills in numerous departments, rather than be limited to working in one area of production.

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

The ILO Centenary Declaration on the Future of Work of 2019 highlights the need for concerted efforts to promote the acquisition of skills, competencies and qualifications for all workers throughout their working lives. The ILO describes skills training as, "everything from career/ occupational counselling and advice, to basic skills of literacy and numeracy, to core ("life" and "soft") skills, to specific technical and

occupational skills, to on the job training and upgrading, to lifelong learning."⁵⁰

Additionally, "Skills training has an impact both at the individual level, for those involved as students/trainees; and at the community level. For individuals, training can improve awareness, employability, self-esteem and resilience which in turn can decrease vulnerability and improve their chances for sustainable and freely chosen livelihoods. At the community level, skills training contributes to business growth, prosperity, inclusive and sustainable development by improving the skills and productivity of the workforce."⁵¹

- **103 Industry Training Hours.**
- **171.5 Education Hours (61% increase in edu hours from 2020).**
- **98% of surveyed employees share the education provided at Outland Denim with their families and communities. Taking into account staff numbers and the average employee household size, we believe the information from these education workshops is reaching well over 500 people. (YoY increase of 10%).**
- **47% of surveyed employees have reported an improvement in their Khmer Literacy levels since working with Outland Denim.**

Pillar Four: Complementary education

Approximately 70% of employees had to stop their studies during primary or secondary school (Grade 1 – 9) most often due to financial pressure and family responsibilities. A third of our team describe themselves as illiterate or limited in Khmer literacy.

As part of our approach to staff care, our staff receive education as part of their employment in areas that will support their personal growth as well as their families and communities. Outland Denim strongly believes that education is a crucial part of the holistic approach required to combat modern slavery and the further exploitation of people.

In March 2021 we were able to offer our first Khmer literacy class to our employees in Cambodia, to equip our employees to have reading and writing skills in their own language. Education is a powerful way to address global poverty and reduce vulnerability to exploitation.

In addition to Financial Management and Khmer Literacy, other trainings provided to workers and/or management employees include; Health (see Outland Denim On-site Medical Clinic), English, First Aid, Policies, Social Compliance, Wages and Benefits, Fire Safety, Thread Training, Waste and Circularity and Leadership Mentoring.

Due to COVID-19 delays, the annual Human Trafficking and Trauma-Informed Care workshops were postponed to September 2021 and will be included in the next reporting period.

The acquisition of soft (i.e. socio-relational) and hard skills are a part of employment with Outland Denim, though employees may choose to opt in or out of elective skills learning opportunities. Employees have the opportunity to take classes in general health, women's health, child health, human trafficking awareness, self defense, financial management, Khmer literacy, English literacy and digital literacy. Staff are involved in workshop election and planning, and the data from these classes is collected and evaluated to inform future planning and progress. While net enrollment in primary education increased from 82 per cent in 1997 to 97 per cent in 2020, lower secondary completion rates in Cambodia were 45 per cent in 2019, which is significantly lower than the average for lower middle-income countries.⁵²

Our staff in Cambodia have had similar educational challenges, however our Cambodian management team represents a different demographic of literate, upwardly mobile women. If it is true that "you can't be what you can't see", then the impact of having a managerial team of Khmer nationals is entirely positive; it gives other team members reason to strive to upskill and climb the proverbial ladder. The complementary educational modules offered by Outland Denim are therefore able to help them achieve these goals incrementally, while also setting the tone for lifelong learning.

*"Lifelong learning means that access to education and skills training, and the attendant supports to obtain and maintain decent work (employment counselling, job search and self-employment support), is not limited by age or sequence. It means that individuals may learn basic or new skills at any point in their life and use this to sustain livelihoods through changes in work and circumstance. As such, access to lifelong learning is critical to prevention and reintegration, ensuring that people whose initial education and training left them vulnerable to forced labour are able to gain needed skills and capacities."*⁵³ - ILO

Conclusion

In developing countries, the private sector generates 90 per cent of jobs, funds 60 per cent of all investments and provides more than 80 per cent of government revenues.⁵⁴ Rather than chasing the cheapest options and a productivity-at-all-costs mindset, we need to rethink the entire fashion production system and make it inclusive, while protecting and promoting the interests of the poor and vulnerable.

With a growing global population in need of work opportunities, and the encroachment of automation, robotics and digitisation in many traditional fashion jobs, we need to be mindful, as a global community, of the very real impact, positive and negative, that our business actions have on the lives of others.

Workers with adaptable skill sets and familiarity with technology will be at a significant advantage. But they still require jobs and living wages to exist while the skills gap is being addressed through partnerships with government, educational institutions and NGOs.⁵⁵

Creating opportunities within the new, sustainable fashion economy has the potential to achieve excellent results, especially for low-skilled and vulnerable workers. Let's not create a generation of underprivileged women displaced by an industry that exploited them for their cheap labour and then moved on; let's harness the power of conscious consumerism for good.



SUPPORTING LIFE-LONG LEARNING:

The Outland Denim Library and Education Centre

In late 2020, we opened our first Library and Education Centre, located on-site at our Production facility for the use and benefit of our team and their families.

The installation of this library, with the support of our partner Sipar, has been timely as COVID-19 has caused restrictions for children to attend school, so parents working at Outland Denim have been able to borrow books for their children to use while at home.

Our team love the library, and as of 30 June 2021, have borrowed over 850 books for themselves and their families. There are over 600 books and resources available on a range of topics including; Khmer literacy, life skills, nutrition, road safety, personal hygiene, financial literacy, the importance of reading/life-long learning, domestic violence, HIV/DRUG and family planning.

With the success of the Library and Education centre, we are, in the next reporting period, excited to establish another library with thanks to Sipar, for the employees in our Wash and Finishing Facility.



OFFERING ACCESSIBLE HEALTH-CARE:

The Outland Denim On-site Medical Clinic



Health issues and a lack of access to trusted, quality healthcare are common causes for families falling into debt in rural areas, which can increase vulnerability to exploitation.

The Outland Denim Medical Clinic was established at the Cut and Sew facility in Kampong Cham, Cambodia, with the support of the Australian Government. The holistic health program provides support via our in-house medical facilities and an international standard of professional health consultation to improve employee, family and community health.

This facility has proved invaluable in providing healthcare and education for the workers, with 390 clinic visits at our Cut & Sew facility since opening the doors in November 2019. 97% of surveyed employees report now having access to health support and advice they can trust, as opposed to the 43% that shared they'd had this before coming to Outland Denim. Education on 15 health topics has been provided and 100 health resources have been distributed to employees.

The clinic is equipped with introductory resources on topics such as high blood pressure; diabetes; depression; cervical cancer; scabies; nutrition; colds; malaria; nutrition for children; diarrhea; and menstrual health.

During this reporting period, health education workshop have included:

- Women's health - Cervical Cancer education and screenings
- Children's health
- COVID-19 safety
- Nutrition
- Sexual Health
- Hygiene
- Domestic Violence
- Mini health tips on various health topics

Other examples of the Health Clinic in action include, A monthly health tip, delivered by our nurse to all employees. These micro-sessions are customised based on the health concerns and questions coming into the clinic, as well as the typical seasonal health challenges at the time.

A Health Hotline that all employees are welcome to use for health support or advice. Staff can share their details, or use the hotline anonymously to ask private health-

related questions. Further support was provided when our valued partner, Mercy Medical Clinic, came and provided cervical cancer education and screening to all employees, and then offered free treatment to employees and family members if needed.

Throughout the COVID-19 pandemic, the clinic staff have been providing COVID-19 prevention advice and education to Outland Denim's staff. The staff then shared this information with their families and wider communities, contributing to better health outcomes.

Our goal with this clinic and health education centre is to provide high-quality health care, education and support to Outland Denim employees, and in turn, see their quality of personal, professional and family life improve. Outland Denim believes this holistic model will directly contribute to reducing instances of exploitation while demonstrating an economically beneficial model for other businesses to replicate.

We're excited to announce that on the 1 July 2021, Outland Denim's Wash and Finishing Facility in Phnom Penh also opened its first on-site Medical Clinic! We look forward to sharing its impact with you through our next report.



Modern Slavery Statement.

Outland Denim will release its first Modern Slavery Statement in accordance with the Modern Slavery Act 2018 on December 2, 2021, in commemoration of the International Day for the Abolition of Slavery.

In November 2018, the Federal Government of Australia passed the Modern Slavery Act 2018.⁵⁶ The Act, which came into force on 1 January 2019, is a new reporting requirement for companies that generate an annual consolidated revenue of \$100 million to report on how they act to mitigate risks of modern slavery in their operations and supply chains. While many companies, including Outland Denim, do not meet the revenue threshold for mandatory reporting, many are choosing to report anyway as an act of good faith.

However, greater compliance and auditing does not necessarily translate into change, especially when there are no penalties applied and when compliance is misread as active mitigation. In fact, we believe a "box tick" approach can do more harm than good as it lets companies who look good on paper off the hook.

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

Donations

SUPPORTING AUSTRALIANS IN NEED

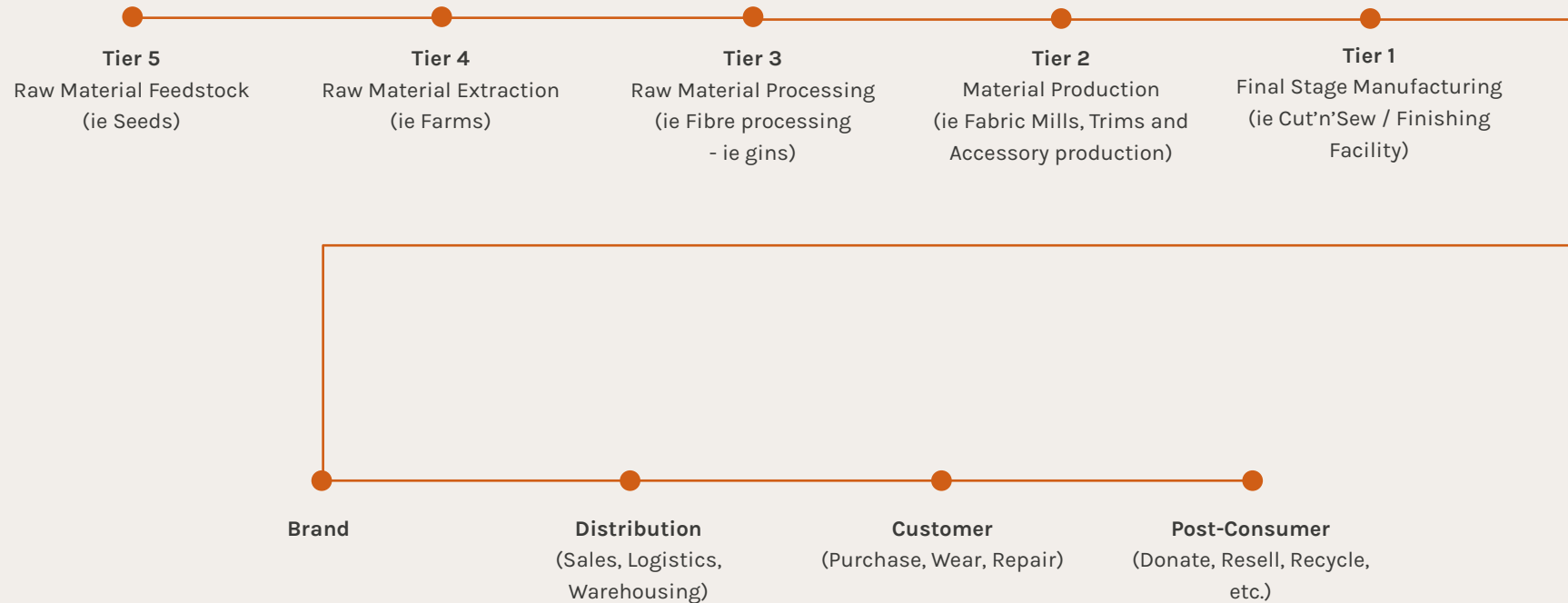
\$36,850 worth of product donated to Thread Together, to deliver new, good quality denim to people in the Australian community doing it tough.

FABRIC DONATIONS

Over 1700kg of fabric offcut donated to social enterprises and organisations working on waste recycling projects including earrings, bracelets, purses, bags, hats, woven rugs/mats, cushion covers & children's toys.

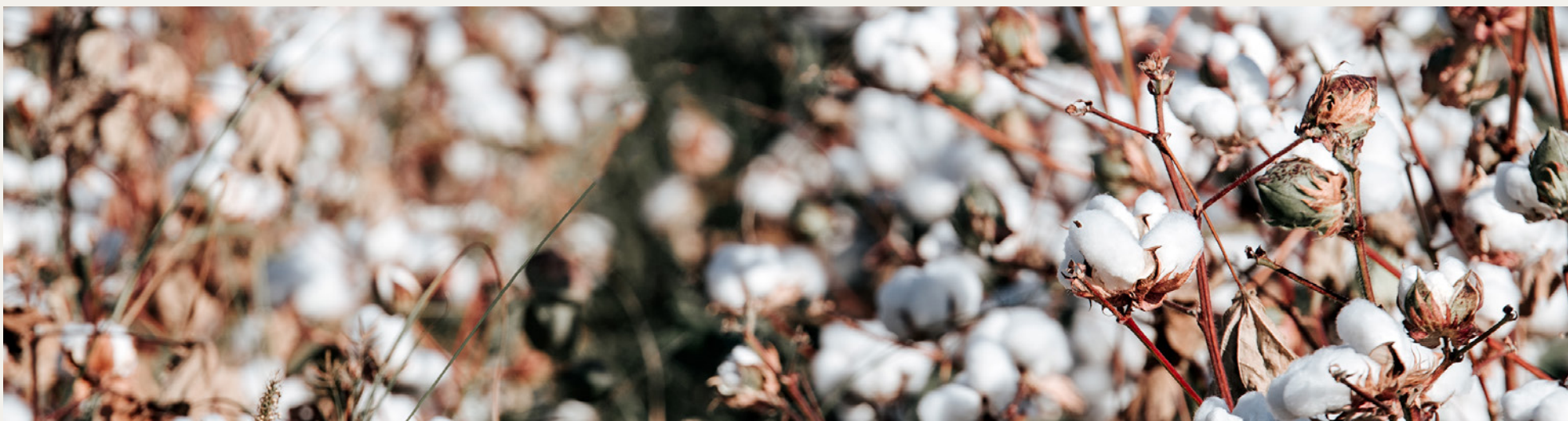


The Garment Production Value Chain & Production Tiers Explained



COMPLETING THE PUZZLE:

How Transparency and Traceability Bring Humanity Back Into Fashion



Who made your jeans? Where was your denim woven? Who planted the cotton seed?

Despite being called a Supply 'Chain', the journey of your clothes from cotton seed to closet looks less like a straight line, and more like a huge puzzle. A puzzle that's all the one colour, there's no picture on the front of the box, and while you have a team of people helping you complete the puzzle, you all speak different first languages and are in different timezones.

Often there is a lot of focus on garment workers or the 'first tier' of the supply chain - where your final garment is produced. Which makes sense, as that's the stage of production closest to the brand. And while we need to advocate for better conditions for these workers, focusing solely on this stage of the supply chain is kind of like just completing the outside border of the puzzle and calling it a day. Sure, it's an essential part of the process, but you hardly see the whole picture.

So, when brands have traceability of their supply chain, a full picture of the puzzle, this is where the real work begins in ensuring there is zero exploitation. This is no

small undertaking but we have to look for the challenges and get started doing something about them.

This year, we celebrated a huge breakthrough in our traceability journey, marking 100% traceability of our organic cotton denim. This might not seem like a big deal, but trust us, it's massive! To provide some context, our Impact team had been working towards this level of traceability for 7 years - since Outland Denim's earliest days of development. And, in a 2020 report by Fashion Revolution, only 1 brand out of the 62 reviewed matched this achievement in listing all of their textile production sights.⁵⁷

What does it mean to be ‘traceable’?

Outland Denim’s supply chain tiers have been assessed based on Traceability Scoring criteria. We require each supplier, in each tier of the supply chain to meet or exceed a minimum of 75% of the criteria, to be considered ‘Traceable’.

To meet this criteria, we ask suppliers to provide: a raw material breakdown, country of origin of raw materials, business name and location, externally assessed social standard/certification, and externally assessed environmental standard/certification.

Further to this, we exclusively work with suppliers who share in our social and environmental standards. We work with suppliers that meet a minimum score of 80% when assessed against our Sustainability and Ethics Criteria. The criteria includes:

- Agreeance and adherence to Outland Denim’s Supplier Code of Conduct;
- Exact name and address of supplier is provided and publically available;
- Evidence of employee wages to ensure legal requirements are met (at minimum);
- Adheres to a recognised Manufacturing / Restricted Substance List (MRSL and/or RSL);
- Provided raw material/ingredients list of the material’
- Visited by Outland Denim personnel; and
- Has provided audit results to Outland Denim, or has been assessed by an internationally recognised external certification body.

Not a lot of brands would admit to wanting to find social or environmental weaknesses in their supply chain. But this, what would usually be considered a PR nightmare, is exactly what we aim to do. From the moment the cotton seed is planted, we want to

find the issues. When we find these opportunities to improve is when we can do something about them.

This is exactly how our Supply Network Intelligence System came to be. Established in 2020 in partnership with Bossa, PSG and Nudie Jeans, this program is designed to better understand the experience of workers in fashion’s earliest and therefore most vulnerable segments of the supply chain, namely those in cotton farming communities. The program today has reached over 3 million people, providing a safe direct communications hotline and providing support on topics including, obtaining visas, human rights, COVID-19, first aid, children’s education and health. But none of these things could have been achieved, without first putting in the work to connect with our supply chain.

As shoppers, a connection with the people that make our clothes gives them a deeper, more valuable meaning. It creates understanding, which develops empathy, which leads to positive action. Transparency and supply chain traceability are things you deserve as a consumer. And they are what brings humanity back into fashion.



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Transparency and supply chain traceability are things you deserve as a consumer. And they are what brings humanity back into fashion.

SUPPORTING OUR SUPPLY CHAIN:

Sağ Salim

We believe that it is our responsibility as a brand to do what we can to not only support our garment makers, but every single person that has a hand in making your clothes. According to Fashion Revolution, a garment passes through approximately 100 pairs of hands as it makes its way to you.⁵⁸ What if in its journey, your garment not only did zero harm, but actually improved the lives of each person that owned those hands. This is our vision.

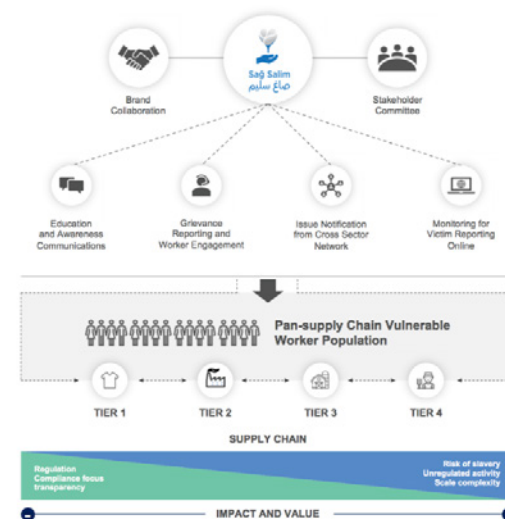
This led us to develop the Sağ Salim program (meaning 'safe and sound') in collaboration with Precision Solutions Group (PSG), to address critical supply chain transparency and due diligence challenges in Turkey's cotton farming community. Since development, Nudie Jeans and supply chain partner Bossa Denim have partnered to expand the impact of this program.

The idea behind this program is to join forces with other brands and fashion industry members to support our supply chain workers, and actively look for and find the issues, rather than hoping they aren't there. Building an understanding of the issues then gives us the opportunity to be part of addressing them. This program is about bridging the gap between brand and makers.

Through Sağ Salim, we can clearly communicate in the local language and in the language of the largest migrant community, education on human rights and ways that workers can share concerns.

A worker voice solution...

- > Engage directly with vulnerable workers and local stakeholders through targeted communications
- > Increase education and awareness and understand what is occurring on the ground
- > Investigate reports, identify key issues and develop remediation solutions
- > Generate stakeholder engagement and buy in through shared understanding and intent



We find where issues are occurring, investigate and connect with suppliers to develop targeted, commercially sustainable solutions that have a meaningful impact on improving the lives of the workers on the ground.

- Map vulnerable worker demographics
- Map sectors of interest
- Engage vulnerable workers located in the same areas as the sectors of interest

- Identify key issues and geographic hotspots
- Map supplier locations
- Overlay supplier locations with geographic hotspots
- Validate issues through investigations in the field
- Focus remediation and capacity building on the identified issues and hotspots
- Measure impact, monitor for compliance and report to stakeholders
- Iterate

Education and Awareness-raising:

The reach of the program combined with the impact of the educational content we have been developing and distributing has generated an increase in engagement of 173% in the last six months. This has led to an increase in reporting and is also assessed as likely to have a positive impact in reducing the vulnerability of workers throughout the supply chain as they become more aware of the risks of exploitation.

As a response to the key needs identified by the program, educational materials on the following topics have been delivered in the community:

- Information on the Turkish education system
- ILO video in Turkish (with Arabic subtitles) describing the process to obtain a work permit for seasonal agricultural work. The video generated 1300 post clicks
- Health, Social distancing and COVID-19 safety during a time of celebration
- Advice on COVID-19, cases and restrictions and preventative measures
- Directions to access free local medical services
- Wage systems & methods of payment
- Arabic language instructional video providing step by step process to navigate Turkish language healthcare application MHRS. Viewed more than 41000 times
- Raising the issue of transportation for agricultural workers
- International Women's Day
- Celebrating women workers in all cotton-related industries

What's next?

Including the program's pilot stage, Sağ Salim has now been active for 15 months. We are excited by the reach and impact it has already had. Sağ Salim program findings have also resulted in our key denim mill and program supporter, Bossa Denim, initiating a new social monitoring initiative on the organic cotton farm level.

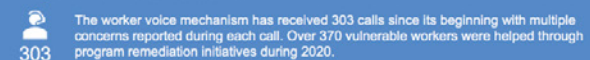
Next, we would like to increase our focus on remediation through educational content and increase brand membership in the program to support further growth, including capacity building and remediation activities.

A summary of results.

Key Social Media Statistics:



Key Worker Voice Statistics:



There is the opportunity to further scale this system in other major sourcing regions around the globe with like-minded brands. We are inviting other brands to work together with us to actively be part of the solution to the global issues of social injustice and modern slavery in supply chains. We believe collaboration increases influence for remediation, shares costs and expands the positive impact possible.



Our Suppliers

First Tier - Manufacturing

Outland Denim Cut and Sew Facility
LOCATION: Cambodia

Outland Denim Wash and Finishing Facility
LOCATION: Cambodia

Tier 2 - Material Production

Denim Collections

Denim

Sourced from: Bossa Denim
LOCATION: Turkey

- Leaders in sustainability
- Tested to ensure no harmful substances
- Organic cotton
- Water wise

Jacron Brand Patch

Sourced from: Frameless Asia
LOCATION: China

- Vegan
- Water/waste recycling and reduction initiatives
- Fair wages for employees
- Bluesign systems partner

Pocket Lining

Sourced from: Beijing Kailong Yisheng Textile
LOCATION: China

- 35% recycled materials
- 100% wastewater recovered
- Renewable energy

Thread

Sourced from: Coats
LOCATION: Vietnam

- ZDHC Initiative
- ISO 14001 'Environmental Management Systems' certified.
- Tested to ensure no harmful substances
- Fair wages for employees
- Plastic and water recycling processes

Zippers

Sourced from: YKK
LOCATION: Vietnam

- Part of the Zero Discharge of Hazardous Chemicals Initiative (ZDHC)
- Tested to ensure no harmful substances
- Holistic support for workers

Labels

Sourced from: QLM Labels
LOCATION: Cambodia

- ISO9001:2015 Quality Management System certification
- Local Cambodian supplier
- Prioritises the well-being and up-skilling of staff
- Raw materials tested to ensure no harmful substances

Labels

Sourced from: CJ Labels
LOCATION: Cambodia

- Use environmentally friendly water-based inks on labels
- Transparent in raw materials
- Local Cambodian supplier
- Tested to ensure no harmful substances
- Forest Stewardship Council members

RTW Collection Primary Suppliers

Cotton fabric

Sourced from: Kadeks
LOCATION: Turkey

- Solar energy system
- Organic cotton
- Transparent in raw materials
- Tested to ensure no harmful substances

Cotton fabric

Sourced from: 5P India
LOCATION: India

- Organic cotton
- Hand-loom artisans using traditional practices
- Fair wages
- Solar energy use

Ready to Wear (Limited) Range - Supplier

Tencel Satin Fabric

Sourced from: STSC
LOCATION: India

- SA800 Social Compliance
- Lenzing Certified Tencel
- Transparent supply chain

Our Suppliers

Packaging Suppliers

Tote Bags

Sourced from: Fabric Offcuts

LOCATION: Cambodia

- Made by our entry-level seamstresses
- Crafted from locally sourced remnant fabric

Customer Packaging and Printing

Sourced from: PrintTogether | NovaPress

LOCATION: Australia

- Designed for re-use in the event of return or exchange
- Compostable and recyclable

Transit Packaging Bags

Sourced from: Cleanbodia

LOCATION: Cambodia

- Cassava root starch
- Bioplastic certified
- EN 13432 biodegradable bags
- Made from biologically renewable sources

Transit Packaging Boxes

Sourced from: ES Packaging

LOCATION: Cambodia

- Closed-loop recycling system
- Forest Stewardship Council certified
- Raw Materials chemicals all tested



Tier 3 - Primary Raw Material Processing

Organic Cotton Agency and Processing

In 2021, Outland Denim was proud to share that we now know the complete journey of the cotton in our denim, from Tier 1 (production) to Tier 5 (the cotton-seed).

Cotton Agency

Agrona Tekstil

LOCATION: Turkey

- Global Organic Textile Standard (GOTS) certified
- 100% disclosure of organic cotton farm locations

Cotton Gin and Baling Plant

Sökpam Pamuklu San Tic Ltd Şt

LOCATION: Turkey

- Global Organic Textile Standard (GOTS) certified

Tier 4 - Primary Raw Material Extraction

Organic Cotton Farms

Agrona - Organic Cotton Farms

LOCATION: Turkey

- 39 x organic cotton farmer's names and locations provided
- Inspected by certification body Control Union - Organic EU
- No GMO seed allowed
- No artificial fertilizer
- No pesticides

Tier 5 - Primary Raw Material Feedstock

Organic Cotton Seeds

Agrona - Cotton Seed Supplier

Gokkusagi

LOCATION: Turkey

SUPPLIER SPOTLIGHT:

Five P



This year, we introduced our very first Ready To Wear collection, a story of dreamy organic cotton and linen skirts, dresses, and shirts. A celebration of artisanal craftsmanship and tradition, this collection featured premium, hand loomed fabrics, which have a distinctly unique, beautifully raw and authentic finish that isn't found in machine-made fabrics.

In bringing our new, artisanally made 100% hand loomed fabrics to life, we worked with leaders in social and environmental sustainability, Five P, who exist to celebrate and protect the textile weaving heritage in Chennimalai, Southern India.

We admire Five P for not only their community-led ethos, but for their leadership in social and environmental production too. Five P are Fair-Trade certified and their fabrics are made with natural, GOTS certified organic fibres. Their facilities are solar powered and specially designed with sustainable building materials to optimise natural light and airflow.

The Environmental Impact of Fashion

*"All development is ultimately about expanding human potential and enlarging human freedom. It is about people developing capabilities that empower them to make choices and to lead lives that they value. Climate change threatens to erode human freedoms and limit choice."*⁵⁹ UNDP 2013

In short, protect people = protect planet. We can't have one without the other.

The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report on climate change was published as we began compiling this report. It confirmed much of what we already knew but has acted to accelerate the urgency around climate change mitigation, and the necessity of apparel brands to get on board with creating sweeping change from the inside out.

It's no secret that fashion is contributing more than its fair share to climate change.

Did you know?

The global fashion industry accounts for 4% of the world's total annual greenhouse gas emissions (GHGs)⁶⁰, or 2.1 billion tonnes, "equivalent to the combined annual GHG emissions of France, Germany and the United Kingdom".⁶¹ To put this in further perspective, the whole world contributes 51 billion tonnes of GHGs (carbon dioxide equivalents) to the atmosphere annually.⁶²

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In Short, protect people = protect planet. We can't have one without the other.

Under its current trajectory, the fashion industry will miss the 1.5-degree pathway to 2030 by 50%.⁶³

This comes as the world's population grows and people, driven by our culture of excess consumption and expansion of the middle classes⁶⁴, are expected to buy even more stuff.

The UN reports: "If the global population continues to grow as predicted, reaching 9.6 billion by 2050, it could require the equivalent of almost three planets to provide the natural resources needed to sustain current lifestyles. In high-income countries, the material footprint per capita – the amount of primary materials needed to meet our needs -- is more than 10 times larger than in low-income countries. And the Group of 20 major economies (G20) accounts for 78% of global greenhouse gas emissions."⁶⁵

This creates a massive inequality gap with the "least likely" of the world left behind.⁶⁶ This is where the concept

of "intersectional environmentalism" comes into play: you can't have sustainable progress without advocating for the protection of all people and the planet they inhabit. Environmental justice is key. Fashion has some major environmental justice issues.⁶⁷

This is extremely important to us as a development-focused, outward looking global brand. Cambodia, where our major manufacturing operations are situated, is ranked as one of the most climate-vulnerable countries, not only in Southeast Asia, but the world.⁶⁸

The really sinister issue for the fashion industry's sustainability, and its enormous carbon bill, is the making of fashion in the wrong way, with the wrong materials and toxic chemicals, in high volumes that cause not only environmental but human harm and largely end up in landfills; often the landfills of developing nations.⁶⁹ Fashion is unregulated (though more regulation is coming!^{70 71 72}) and you don't need a license to make it.

"Regulation" often falls upon under-resourced manufacturers in developing or lower income countries who are contracted by brands to make their stuff (and cheaply at that). The burden is uneven and unfair.

In 2019, 114 billion items of clothing were sold globally, the equivalent of nearly 15 new garments for every person on the planet.⁷³ In 2017, the Ellen MacArthur Foundation found that globally 73% of discarded textile materials were disposed of in landfill or incinerated, while global clothing production has approximately doubled in the last 15 years and the number of times a garment is worn has decreased by 36 per cent.

But, as with the IPCC Report, there is hope - not impending doom - if we commit ourselves - collectively, as an industry - to a roadmap of accelerated GHG abatement.

"To reach the 1.5-degree pathway, the industry would need to intensify its abatement actions and scale up existing decarbonization efforts to reduce annual emissions to around 1.1 billion metric tons in 2030, roughly half of today's figure," says McKinsey.

*"Some 60 per cent of the additional emission reduction under this accelerated abatement scenario could be achieved in upstream operations, through initiatives such as energy-efficiency improvements and a transition to renewable energy, with support from brands and retailers. Another 18 per cent of emissions could be saved through operational improvements by fashion brands, and a further 21 per cent through changes in consumer behavior. Together, these efforts could reshape the fashion landscape."*⁷⁴

The road to decarbonisation

Of course the first step on the road to decarbonisation is to make a commitment; then it is to measure your carbon footprint. These we have done (see our section on "Emissions"). Our initial assessment, in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard⁷⁵, has been completed, though due to the impact of COVID-19 on Outland's business operations in FY21, our future carbon footprint reports will use an average of emissions over FY21-FY22 as the base year for calculations, as this will counteract any unusual emissions fluctuations caused by COVID-19 and improve accuracy.

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...Globally 73% of discarded textile materials were disposed of in landfill or incinerated...



What are Scopes?

- SCOPE 1** Direct emissions from owned or controlled sources.
- SCOPE 2** Indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.
- SCOPE 3** All other indirect emissions that occur in a company's value chain.⁷⁶

While the ownership of our own manufacturing and finishing facilities allows us to exercise a degree of control over our operations and their environmental implications, this also means that our direct operations are linked to emissions with no "smoke and mirrors". These are included in Scope 1 and 2 emissions for Outland Denim, as they are under our direct remit. For other fashion brands, these might fall under Scope 3: the indirect emissions in a company's value chain (these might include emissions from cut-and-sew factories, dye houses, fabric mills and farms).

According to the UNFCCC Climate Action playbook⁷⁷, Scope 1 emissions for a fashion brand and manufacturer may be natural gas or other direct fuels used in direct facilities, fuels used for vehicles, back generator fuel usage, and natural gas, coal, oil, or biofuels used for the boilers. Scope 2 emissions are those generated from "purchased electricity heat, steam and cooling, typically from a utility"⁷⁸. For Outland Denim Cut and Sew Facilities, the majority of emissions will be held within Scope 2.

Scope 3 emissions are all other emissions falling outside of Scope 1 and 2 and may consist of supply-chain activities (purchased goods and services), movement of purchased

and capital goods (inc. upstream and downstream transportation and distribution), employee commute/travel, and the use of sold products. For Outland Denim specifically, a large portion of Scope 3 emissions may be the life-cycle emissions of the products, as a large share of denim's carbon footprint is due to consumer use and disposal.⁷⁹

McKinsey notes that manufacturers and fiber producers need to reduce the amount of carbon produced through material production processes, minimize production and manufacturing waste and remove carbon from garment manufacturing. Improvement in energy efficiency and a transition to more renewable energy sources could deliver about 1 billion metric tons of reduced emission in 2030, across the fashion value chain.

These are all actions that we are working to adopt in our own business.

In an article titled, "Fashion fails to factor in supply chain carbon"⁸⁰, *Financial Times* writer Whitney Bauck notes,

"Clothiers are making significant progress when it comes to Scope 1 and 2 emissions, which arise respectively from a

company's in-house operations and the energy it purchases. But up to 80 per cent of the sector's emissions are in Scope 3: those produced by the rest of the value chain. And most clothing brands are not even attempting to measure these yet, much less reduce them."

While taking on full accountability for our emissions output, our "emissions debt" when taking Scope 3 into consideration, is proportionally similar to those brands who outsource. We are therefore committed to tracing our emissions and creating a roadmap for decarbonising our denim supply chain in alignment with the United Nations Fashion Industry Charter for Climate Action⁸¹, the broader UN Sustainable Development Goals⁸², the UN Global Compact⁸³ (specifically principles 7, 8 and 9), and the B Corp Net Zero 2030 initiative.⁸⁴

Online deliveries, the fashion calendar and carbon

At the height of the COVID-19 pandemic, 10 years of ecommerce growth happened in just 90 days.⁸⁵ Nearly 150 million people shopped online for the first time.⁸⁶ We certainly benefited, with our online sales quickly overtaking our wholesale business in sales volume, and we expect to continue to see good growth in our digital

business. But with all those parcels going out, and sometimes returned, there is the added carbon cost of courier and postal deliveries to consider.

Shopify reported:

"Today's brand has a four-pronged fulfillment mandate: fast, free, sustainable, and branded shipping. Globally, 64 per cent of consumers want their orders shipped for free, while peak-level ecommerce and strict same-day shipping cutoff times have made it difficult to meet rising customer demands. And 67 per cent of U.S. consumers expect either same-, next-, or two- day delivery, while 72 per cent of global consumers want brands to use sustainable packaging. With the cost to fulfill orders soaring, brands must turn fulfillment into a strategic asset. Fulfillment must be smarter, closer to the consumer, and automated."

This puts a lot of pressure on sustainable brands to "keep up with the Jones'" in ecommerce without cutting corners.⁸⁷ Last-mile logistics are the most complex and expensive part of the ecommerce supply chain, and also the most carbon-intensive.⁸⁸

Can you have sustainability and quick, fast service, too?

By engaging 3PL services in centralised locations (in our case, Sydney) with a higher volume of customers in proximity to those locations, and who also have similar commitments to sustainability, we believe we can (this is called "green logistics"). We currently do not offer shipping to various locations across the world (i.e. cross-border ecommerce), and won't expand to these locations until we can justify localised 3PL setup that won't compromise our commitment to reducing our carbon impact.

The traditional fashion buying process of showcasing ranges and attending trade shows around the world

is also changing with fashion brands showing their collections digitally during the pandemic. Outland Denim cut its travel budget and also the cost of carbon almost completely during the two years that the pandemic curtailed international and interstate travel.

The "Zero to Market"⁸⁹ research project produced by ORDRE.com (an online B2B platform for the fashion industry) with the Carbon Trust quantifies carbon emissions from traditional fashion business practices. Over a 12-month period it found that 241,000 tonnes of CO₂e representing US\$1.4 billion of travel were associated with the wholesale ready-to-wear fashion buying process. Carbon emissions within the scope of the analysis included: travel to and from fashion weeks, travel within cities during fashion weeks, staff accommodation, and the transportation of collections.

As an industry leader in social impact, it is obviously our desire to translate that level of change commitment across our business and into our environmental impact. To further our commitment to decarbonising our denim and operations more generally, Outland Denim has signed up to the B Corp "Net Zero by 2030" pledge.⁹⁰ Managing, reducing and ultimately creating a carbon-positive* pathway for Outland Denim is our ultimate goal.



Carbon negative = The reduction of an entity's carbon footprint to less than neutral, so that the entity has a net effect of removing carbon dioxide from the atmosphere rather than adding it. Becoming carbon negative requires a company, sector or country to remove more CO₂ from the atmosphere than it emits.

Low carbon = an organisation/building is highly energy efficient and partially powered from on-site and/or off-site renewable energy sources.

Carbon neutral = "carbon neutral" was the New Oxford American Dictionary's word of the year in 2006. Carbon Neutral is a term used to describe the state of an entity (such as a company, service, product or event), where the carbon emissions caused by them have been balanced out by funding an equivalent amount of carbon savings elsewhere in the world.

Carbon zero = zero carbon emissions are being produced from a product/service e.g. zero-carbon electricity could be provided by a 100% renewable energy supplier. This term describes an activity where no carbon was produced in the first place.

Carbon positive = Carbon Negative and Climate Positive are interchangeable terms: Climate positive means that an activity goes beyond achieving net zero carbon emissions to actually create an environmental benefit by removing additional carbon dioxide from the atmosphere. The benefit of climate positive initiatives is the spillover benefits they create for other people, companies, or localities that may not have the means or initiative to reduce their own carbon footprints.

Net Zero = 'Net zero emissions' refers to achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere.

Net Zero GHG = all GHG emissions decline to zero, as opposed to just carbon dioxide (CO₂)

Each of the above terms describe a stage along the sustainability journey. Ideally, carbon neutrality will become the eventual standard across the board; climate positive initiatives can, in the meantime, help pick up some of the slack.

Source: <https://www.ecosave.com.au/news-insights/coming-to-terms-with-sustainability-terms-net-zero-vs-carbon-neutral-vs-carbon-negative-vs-carbon-positive-what-do-they-mean-exactly/>

The Dirty Side of Denim

As a brand with a human development mandate, we have never seen the environment and human health as separate but absolutely inextricable. How could we claim to be helping people if we were at the same time destroying the environment that they depend upon for their livelihoods and the basic necessities of life?

Denim is one of the most universally worn and loved garments on the planet. This is why we chose jeans as our vehicle for social change in the first place. But denim's impact on the planet has also been catastrophic.

Linked to hazardous chemicals and manufacturing practises harmful to human health⁹¹, rampant over-production (2-5⁹² billion pairs are produced per year) and vast water usage and pollution throughout the supply chain, "conventional denim" has become a dirty name in the fashion industry. So we, and others, have quickly set about cleaning it up.



Detoxifying denim

COTTON

Cotton has become an extremely contentious crop, and no wonder as cotton is 80 per cent of the natural fibre market and is the second most-commonly produced fiber after polyester, accounting for 24.2 per cent of global fiber production as of 2020.⁹³

Additionally, cotton represents the main source of livelihood and revenue for up to one billion people, out of which 250 million work in cotton processing and 100 million are farmers who cultivate cotton.⁹⁴ Approximately 90 per cent of these farmers grow cotton in less than 2 hectares (ha) of land and are located in developing countries, mainly in Central and West Asia, Southeast

Asia, and Africa, including in 30 countries that are considered Low Human Development Countries (LHDCs) under the Human Development Index (HDI).⁹⁵ Cotton employs close to 7 per cent of the entire labour force in developing countries.⁹⁶ Cotton is often chosen as a crop because of its adaptability to dry climatic conditions.⁹⁷

Cotton production has a track record of water-intensive management practices. It is estimated that more than half of cotton land area is irrigated by methods that are often inefficient in their "blue water" use, but this varies greatly between regions and depends on technological availability, and the amount of precipitation ("green water") in any given year.

The Food and Agriculture Organization of the United Nations (FAO) states, "as a global industry, the conditions under which cotton is grown and the issues associated with its cultivation vary enormously due to differing environmental, agro ecological, climatic, socio-economic and political conditions. These varying conditions mean that the cultivation of the same crop may result in significantly different practices and impacts, and that there are significantly different options and capabilities available to address these impacts."⁹⁸

The water availability for cotton growing is also affected by climate change: the Australia-based Cotton Research and Development Corporation (CRDC) says,

"fluctuations in precipitation as a result of rising carbon dioxide (CO₂) concentration may significantly impact plant growth and crop productivity..."⁹⁹ while, "Climate change will have both positive and negative effects on cotton production. Increased CO₂ may increase yield in well-watered crops and higher temperatures will extend the length of the growing season. However, warmer temperatures also accelerate the rate of crop development and could potentially shorten the time to maturity, which may then impact crop management decisions. Higher temperatures also have the potential to cause significant fruit loss, reduce water use efficiencies, lower yields and alter fibre quality."¹⁰⁰

Poor farming practises can lead to a considerable reduction in groundwater levels, causing water stress in some regions.¹⁰¹ Cotton production also requires heavy pesticide use: the sector is responsible for the application of 16 per cent of insecticides and 6.8 per cent of herbicides globally.¹⁰² These chemicals wash into water sources, contaminating them.

This is why we choose to use organic cotton in our denims.

Going organic

While accounting for under 1 per cent of the world's total cotton production¹⁰³, organic cotton is farmed with zero use of agrochemicals, such as synthetic pesticides and chemical fertilizers, which are known to reduce soil quality, contribute to water pollution, and severely affect the health of farmers. "Conventional cotton" refers to cotton grown with synthetic chemical inputs and/or genetically modified (GMO) seeds.

Organic farming also helps to reduce environmental impacts and enhance social responsibility while potentially saving water and helping to meet select SDGs. Textile Exchange links the growth of organic cotton to Poverty Reduction (SDG #1), as farmers can earn more and spend less on inputs; Zero Hunger (SDG #2), as organic cotton is usually grown alongside food crops; Good Health & Wellbeing (SDG #3), as cotton farmers and their families are not exposed to harmful chemicals; as well as SDG #6: Clean Water and Sanitation, as it does not cause contamination to local water sources.¹⁰⁴

But the transition to organic by smallholder farmers needs to be supported by governments, business and NGOs by way of education, training and financial incentives. When these farmers can see the demand for organic increasing (which it is year-on-year¹⁰⁵), they will be more inclined to "go organic", though this is a transition that can take three years to full certification¹⁰⁶ and takes considerable effort. Brands could theoretically support the transition by guaranteeing orders of organic cotton via their mills and fabric suppliers. It's Outland Denim's commitment to "stay organic" so long as the environmental, social and economic benefits align.

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... organic cotton is farmed with zero use of agrochemicals, such as synthetic pesticides and chemical fertilizers, which are known to reduce soil quality, contribute to water pollution, and severely affect the health of farmers.

Organic cotton farming has also been linked to lowering emissions,¹⁰⁷ though this is relative to the geography and other influencing factors at the farm level. For example, one study of cotton farming in Benin found that, "the quantity of GHGs emitted by cotton farms is an average of 669.40 kg CO₂e per hectare. Indeed, the quantity of GHGs emitted by conventional cotton is 882.06 kg CO₂e per hectare compared to 462.65 kg CO₂e per hectare for organic cotton. Thus, organic cotton emits about 42 per cent less GHG than conventional cotton."¹⁰⁸

In Turkey, the source country for our cotton and where the cotton industry is the source of income for up to 12 million people¹⁰⁹, the cotton market saw 600 farmers grow 24,288 tonnes of organic fiber on 11,551 ha. In 2019/20, representing a 56 per cent rise in farmer numbers, a six per cent growth in fiber volume, and an

eight per cent increase in land area. Eleven new producer groups became certified in 2020 and, as a result, it's expected that Turkey's organic cotton production will grow dramatically in 2020/21 - by an estimated 177 per cent.¹¹⁰

However, according to Textile Exchange, there is a "lack of opportunity for farm groups to gather in unions or similar support structures, and there are no institutions to bring the organic cotton community (agronomists, farmers, suppliers, manufacturers, etc.) together, not even through the National Cotton Council. Therefore, while Turkey's organic cotton sector is established and growing, there is much need for improvement."¹¹¹ This is where our Sağ Salim program, and our view on working with producers and mills towards positive people + planet outcomes, may also be beneficial.

ZERO HARMFUL CHEMICALS

You wouldn't put toxic chemicals on your face, so why would you wear them on your body?

According to the Textile Study Centre, a host of chemicals are used in the production of denim jeans, from bleaching powder to detergents to caustic soda.¹¹² While many extremely harmful chemicals have been banned, it's not unusual for some manufacturing, wash and finishing facilities to persist in the use of chemicals harmful to human health such as formaldehyde (which smells as toxic as it is to human health).

At Outland Denim we select raw materials that are Oeko Tex and/or GOTS certified. This ensures strict testing for no harmful chemicals. All chemicals used in our wash and finishing process are certified to meet Level 1 or Level 3 ZDHC Manufacturing Restricted Substance List V2.0.

POLYESTER

There is a small polyester component to some pairs of Outland Denim jeans. Polyester, when mixed with cotton, gives jeans their stretch capacity. Synthetic polymers are obtained from nonrenewable resources (e.g. fossil fuels), and the production of these fibers requires an enormous amount of energy, causing higher GHG emissions.¹¹³ They are also linked to microfibres that work their way into the world's water systems.

According to the Ellen MacArthur Foundation¹¹⁴ around half a million tonnes of plastic microfibers a year contribute to ocean pollution – 16 times more than the plastic microbeads from cosmetics. Finding polyester alternatives that can withstand durability tests has been a part of our ongoing product development mission.



Our Brand Manager Matt speaks to striking a balance and finding the most sustainable option available today later in this report, "Currently the alternatives for natural stretch fibres are very early in development, and because of this, those formative fabrics with natural stretch elements, have their own downfalls, such as being difficult to control in production (i.e. handling the fabric and washing/finishing the fabric), and don't perform as well as elastane over time, which means you would need to replace your denim more often (making them less "sustainable"). In this way, there's no perfect answer, apart from the certainty that progress is needed. The balance we strike is to produce a small selection of styles with virgin elastane, while also introducing options that do not contain elastane, and invest into continuing to trial alternative options."

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Currently the alternatives for natural stretch fibres are very early in development, and because of this, those formative fabrics with natural stretch elements, have their own downfalls, such as being difficult to control in production.

Our Environmental Impact

Washing and Finishing (where your jean's fading, colour, and character is created) is one of the most water, energy, and chemical intensive states of making denim garments. Conventionally, this stage is also associated with methods that are harmful to both the environment and workers.

At Outland Denim, to mitigate this impact, we have established our own wash and finishing facility equipped with innovative state of the art water, energy, and chemical reducing technology. This allows us to have control of our impact while also creating further job opportunities for those in need.

- 97% of Outland Denim washes are categorised as 'Low Impact', as measured through third party Environmental Impact Measurement criteria.
- Black overall is our most water, energy, and chemical saving wash.
- Only one Outland Denim wash (Bloom), is categorised as 'Medium Impact'.
- All Outland Denim garments are made with Zero Harmful Chemicals



WATER

Our highest and lowest water saving washes when compared to the same wash made conventionally:
Highest: Shore (86.11%)
Lowest: Black (20%)



ENERGY

Our highest and lowest energy saving washes when compared to the same wash made conventionally:
Highest: Wish (95.16%)
Lowest: Aged Black (-14.73%)



CHEMICAL

Our highest and lowest chemical saving washes when compared to the same wash made conventionally:
Highest: Driftwood (85.03%)
Lowest: Charcoal and Nickel (55.84%)

Outland Denim garments are made with UP TO

- 86% less water
- 96% less energy
- 85% less chemical

when compared to conventional finishing methods.

On AVERAGE Outland Denim denim garments are made with

- 63.57% less water
- 37.07% less energy
- 75.37% less chemical

when compared to conventional finishing methods.



Emissions

Calculating our carbon footprint, including direct and indirect emissions, provides us a better understanding of our impact as a brand and manufacturer. We have enlisted the expertise of a third-party to calculate our GHG emissions and are looking into having this endorsed by a respected industry body, such as Science Based Targets initiative.¹¹⁵ Our carbon footprint was calculated in accordance with the GHG accounting and reporting principles outlined by the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, which are in accordance with the Australian "National Carbon Offset Standard" guidelines published by the Australian Government.

1348 tCO₂e - Outland's total GHG emissions from July 1st, 2020, to June 30th, 2021

Of this total, 163 tCO₂e or 12% of total emissions are from Scope 1 sources, while Scope 2 accounts for 93 tCO₂e or 7%. Scope 3 sources are the largest contributor to Outland's carbon footprint with 1093 tCO₂e representing 81% of total emissions.

The process of calculating Outland Denim's first carbon footprint has highlighted areas for future improvement. Two key next steps include improving our data collection processes for more accurate calculations moving forward and implementing informed emissions reduction targets. We desire to reach a net-zero emissions target by 2030. To achieve this we will work towards reducing our overall emissions into the atmosphere through emission reduction targets, practices, and policies, and by offsetting those emissions that cannot be reduced.



Investing In Innovation and Tackling Textile Waste

100% of excess textile waste from Outland Denim's production facility is directed towards textile recycling research, not-for-profit social enterprises and NGOs for training and awareness projects.

It's time to tackle the issue of Textile Waste.

It's an issue that affects not just our planet, but our communities too, and it will continue to, for generations to come if we do not take action now.

McKinsey states, "Despite efforts by some players, as much as 12 percent of fibres are still discarded on the factory floor, 25 percent of garments remain unsold, and less than 1 percent of products are recycled into new garments."¹¹⁶

The Ellen MacArthur Foundation¹¹⁷ further states that large amounts of non-renewable resources are extracted to produce clothes that are often used for only a short time, after which the materials are mostly sent to landfill or incinerated.

Annually Australian's acquire an average of 27 kilograms of new clothing per person, and discard around 23 kilograms of clothing to landfill each year, amounting to 800,000 tonnes of textiles landfilled.¹¹⁸

Slowing our consumption may help, but we fear it won't be a fast enough solution. And it's true that we could recycle, but not all textiles can be recycled, and depending on the material, recycled fibres aren't always as durable as virgin fibres.

This is why we are investing heavily into research and development of waste and circularity technology, working to remove textiles from landfill and revolutionize the way we dispose of clothing. Not just for the use of us as a brand, but for the use of the whole fashion industry.

Imagine if we could take textiles that cannot be recycled, textile scraps from production, QC failed garments from brands, post-consumer clothing, and garments that were not in appropriate condition for thrift stores to sell, and dispose of them in a way that was a) environmentally safe and b) did not disrupt communities.

Now, you know we are all for transparency, but to be transparent with you, we can only share limited details with you at this stage (or else our legal team will be after

us). BUT what we can share with you, is that our team has proven, in a lab, that we can take textile waste and eradicate it.

Now that lab testing is complete, it's time to take the next step - the first commercial test. We'll be testing this technology with a range of textile compositions, to better understand the scope of this technology and what fabrics it can break down.

Like Rome, revolutionary textile waste technology isn't built in a day, but we look forward to progressing through this stage, and keeping you up to date on this exciting initiative.



Progress > Perfection.

Written by
Matt Traynor,
Brand
Manager

Although we're a sustainable brand, sometimes we feel that the term 'sustainability' is a bit overused. Like a word you've looked at too long and you start to wonder, "What does that even mean?"

A lot of my gripe with the word can be attributed to greenwashing (i.e. when brands use subtle marketing techniques to make it seem like they are more environmentally sustainable or ethical than they really are), which is both manipulative, just plain annoying and a massive roadblock to solutions and real progress. But more than that, the 'S' word sounds like a destination, a big green stamp of perfection, when in reality that's not the case at all.

The balance we need to strike is between good for people (human rights and positive social change), good for planet (circularity, raw materials, and preservation of natural resource), and good for you, the customer (a product you actually want to buy and love that is going to perform well over time, which also means less clothes going to landfill). The trick is, that when one leg of this triangular table is given more weight, the other two sides can topple.

The perfect example is stretch denim. Elastane is a type of plastic, which affects the circularity of the garment and when laundered will release tiny microplastics into waterways. Obviously not what we want. Currently the alternatives for natural stretch fibres are very early in development, and because of this, those formative fabrics with natural stretch elements, have their own downfalls, such as being difficult to control in production (i.e. handling the fabric and washing/finishing the fabric), and don't perform as well as elastane over time, which means you would need to replace your denim more often (making them less "sustainable"). In this way, there's no perfect answer, apart from the certainty that

progress is needed. The balance we strike is to produce a small selection of styles with virgin elastane, while also introducing options that do not contain elastane, and invest into continuing to trial alternative options.

We see the same paradox in recycled cotton. Recycled cotton has great environmental benefits, but it can affect the performance of the garment. In stretch denim only 30% recycled cotton is okay before it starts to affect the performance of the denim. And what about the cotton farming industry? Cotton represents the main source of livelihoods and revenue for up to one billion people, out of which 250 million work in cotton processing and 100 million are farmers who cultivate cotton.



Cotton employs close to 7% of the entire labour force in developing countries.¹¹⁹ So if we all switched to recycled cotton tomorrow, it would have devastating social effects for this community as well.

People and the planet are inseparable. To focus solely on one could negatively impact the other, so both need to rise in unison for real lasting change to be realised.

When we released this report last year, we committed to a 100% vegan range in 12 months, transitioning all of our leather brand patches to vegan ones. In looking at alternatives, we found a range of options, however, again, they had their downfalls such as production processes that were water, energy, and chemical intensive, a tendency to wear out quickly, or some were made from synthetic fibres such as plastic. In the end, after about 12 months of trials, we selected a jacron brand patch made from paper, and can now proudly say that our range is 100% vegan.

Sustainability is a delicate balancing act, but it's also about making the best choice we can today, with the information we have at hand, while recognising that it won't be the best choice in 1, 5, 20 years down the road. It's about us as a fashion brand reinvesting the money you spend with us into research, development, and collaboration to make these new materials or processes a reality. It's about progress, not perfection.

No brand has all the answers, we certainly don't. But we are committed to finding them. To reflect on a sentiment we've been working from since the beginning, imagine if there was another way, it doesn't yet exist, but is something we strive for? What if by creating fashion you could empower the people who need it the most?

“

People and the planet are inseparable. To focus solely on one could negatively impact the other, so both need to rise in unison for real lasting change to be realised.



INTRODUCING:

Rigid Denim Range

This year we expanded our range of rigid denim options, made with 100% natural fibre denim.

Rigid denim is denim that does not contain elastane or polyester. Made with a combination of natural fibres including Organic Cotton, we love this denim composition for its beautifully soft hand-feel, the way it matures even softer and more comfortable over time, and for its environmental benefits.

Made from premium natural fibres, this denim is beautifully soft and comfortable. It will feel firm on first wear and will mature softer with time. They are designed to be the loyal pair that you'll go back to time after time for years to come. Denim that truly gets better with age.

This denim's open-style weave results in a beautiful, rich colour contrast, and allows our wash recipe to react to the fabric faster, and a short wash process means less environmental impact.

Plus, made up of all-natural fibres, choosing rigid denim will ensure significantly less micro-plastics are released into our waterways when laundered.





Spell x Outland Denim

Two worlds collide to create a better future.

Earlier this year we joined forces in collaboration with fellow Australian brand Spell, to release a capsule collection of vintage-inspired denim separates.

In collaborating with other brands, we gain the opportunity to expand the Outland Denim community, expand our creative and product offering, expose our makers to new skill-sets, produce ethically made garments for other brands, and expand our audience reach. All of these things work together to expand our positive impact. The more we grow, the more impact we have.

With the success of the Spell x Outland Denim collaboration, we not only restocked these styles, but have also confirmed a long-term manufacturing partnership with Spell, creating their denim products in the future.

From the Outland Denim Design Desk

"80% of the impact of each garment is decided at the design stage, so I always design with the end goal in mind. I start with selecting the best raw materials creating the lowest impact such as recycled or organic cotton, refibre & hemp, design products for longevity and I also try to make sure I am working with newest technologies & techniques within the laundry to reduce our environmental impact. Our eventual goal for Outland should be to set our targets past circularity and to a point where the environment, and humans are in a better place from our creation of garments, so not just closing the loop on our products, but to create a positive loop system."

- Claire, Head of Denim Design

"For me, designing with Impact requires a deep knowledge of the whole process, it's not just about the aesthetic of the end garment. There is an understanding of where everything comes from, where is your fibre from, why have you chosen that particular fibre, how will it perform & where have you milled your fabric? On the construction side, it's about how your garments are being made and who has made them. When you have a solid understanding of everything – then as a designer you are able to truly shift the impact of your product to a positive one."

"A huge win for me this year was launching RTW, thus increasing our product offering and hence broadening our genuine and progressive approach to action and accountability within the garment industry."

- Jaye, Head of Ready to Wear Design



Raw Materials



Natural (82.83%)



62.25%
Organic
Cotton



7.42%
Recycled
Cotton



3.82%
Better Cotton
Initiative
Cotton



7.98%
Lyocell



0.02%
Leather



0.09%
Jacron
Paper



0.14%
Corozo
Button



0.36%
Lenzing
Tencel™



0.76%
Linen

Synthetic (15.85%)



7.94%
Virgin
Polyester



1.36%
Elastane



6.55%
Recycled
Polyester



1.31%
Metalware

Hardware (1.31%)

Please note that our 2020 Impact Report contained an error in our raw materials calculations at time of initial publishing last year. This has since been corrected. We apologise for any confusion and we invite you to download the corrected version of the report on our website.

A Deep Dive into Our Goals

Good - 12 Month Goals

Goal	Progress	Notes
Develop on-going water management program for finishing facility	20%	<p>We have continued to improve our wash and finishing processes to further reduce environmental impact and water use. Each wash recipe and process is scored and tracked through the Environmental Impact Measurement (EIM) system by Jeanologia.</p> <p>We are currently working on improving water filtration with the aim to incorporate water recycling into the new system. We hope to achieve this in the next 12 months.</p>
Provide water and safe sanitation education to Outland Denim staff and surrounding communities	100%	<p>Facilitated Hygiene education to employees through partnership with Sipar and CWPD in Cambodia. The workshop covered the importance of clean water, nutrition and a hygienic lifestyle. The average pretest score was 4.48/10 compared to the average 10/10 Post Test Score. 97% of employees share information learnt at Outland Denim with their family and community.</p> <p>In addition to this, multiple health workshops were also run to share knowledge on topics including COVID-19 prevention measures, to further support employees and their families to stay safe and healthy.</p>
Increase the use of solar in Cambodian production facilities	0%	<p>Outland Denim has not yet made steps towards increasing the use of Solar in Cambodian Production facilities. This remains a goal to be achieved.</p>
Conduct a life cycle assessment measuring the impact of OD's Carbon Footprint	100%	<p>Completed first Carbon Footprint Report to guide managerial and operational decisions. The report contains a summary of Outland's GHG emissions from various Scope 1, 2 and 3 sources for FY21.</p>
All material suppliers to hold Standard 100 by OEKO-TEX Cert	100%	<p>Our team has adjusted this goal to ensure all material suppliers hold OEKO-Tex Certification and/or the Global Organic Textile Standard Certification as both have strict testing standards in place. All material suppliers have been able to provide certifications for either or both of these standards.</p>
Proceed testing chemicals through the ZDHC Gateway	100%	<p>74% of the chemicals Outland Denim use in its wash and finishing process meet Level 1 ZDHC MRSL V2.0. 26% of products used meet level 3 ZDHC MRSL V2.0.</p>
Finalise environmental testing and continue diverting Outland Denim textile waste to research and development programs	100%	<p>The laboratory testing phase of our textile waste solution has proven to be successful. The next phase is establishing a pilot plant to prove the concept and commercial viability of the solution at scale. In the meantime, Outland Denim textile waste is still being collected and as possible, donated to organisations for upcycling projects and training.</p>

Good - 12 Month Goals

Goal	Progress	Notes
100% of direct suppliers waste management systems signoff	90%	Last year 80% of Outland Denim's 2nd tier material production suppliers had waste management systems or sustainability plans implemented. This reporting period 90% have waste management systems or sustainability plans implemented.
Continue research program into black dye alternatives that use organic or plant-based dyes;	20%	We have now updated all black denim to denim dyed using a process known as Saveblack. Through the Saveblack process, 85% water saving was achieved in proportion to the conventional dyeing, therefore the same amount of decrease in wastewater was realised. In addition to this, we have expanded our range of undyed denim products. We have continued to look into more sustainable alternatives for black denim dyes. Currently we have not been able to find a mill with the equipment we need to proceed in developing a complete solution, though we will continue to investigate options as more technology becomes available.
Increase use of water-saving, "Saveblue" dyes in range.	100%	Outland Denim has adjusted all our Bossa denim orders to be dyed using the Saveblue/black dyeing techniques. Through the Saveblue/black process, 85% water saving was achieved in proportion to the conventional dyeing, therefore the same amount of decrease in wastewater was realised. Current and future Bossa denim orders without this water-saving technique, are for undyed fabrics only.
Continue partnership with Thread Together to support local community members with dignified new garment choices.	100%	During the reporting period, Outland Denim has been able to donate \$36,850.00 worth of product to Thread Together. Thread Together are driving social and environmental change in Australia by helping those doing it tough with new clothes.
Make 100% of the Outland Denim range leather-free;	100%	Outland Denim has not purchased leather patches over the past financial year, but has instead utilised jacron paper patches for it's denim and Ready To Wear ranges.
Further use of natural cellulose fibres and therefore reduced use of polyester	20%	Outland Denim has prioritised the use of natural fibres as much as possible in it's ranges. Currently we have room to improve in this area and are continuing testing to further reduce the use of polyester and increase the use of natural alternatives in both denim and ready-to-wear collections.
Expanding range and products for increased employment opportunities and job creation;	100%	Increased range with Ready to Wear Range and the number of employees in Cambodia grew from 84 to 126.
Test durability by way of laundry test.	50%	Outland Denim tested jeans for 30 home laundries and performed 13 durability tests to meet their minimum test standard for jeans, verified by Outland Denim's Research and Development Engineer. Outland Denim's next step is to organise a third party durability test for the denim.

Goal	Progress	Notes
Outland Social and Environmental Impact Manager or representative of Outland Denim to visit organic cotton farms to research social standards	30%	Due to COVID-19 restrictions, this has not been completed by an Outland Denim team member, however, Outland Denim's primary denim mill has initiatives social compliance audits on key organic cotton farms supplying for Outland's denim.
Support vulnerable worker populations down the supply chain with training in local language about human rights, modern slavery and anti-trafficking	100%	Over the past year, Outland Denim has been able to be part of pioneering the due diligence program, Sağ Salim. This program has given us the ability to share human rights education and hear directly from the most vulnerable communities in global supply chains. Through the Sağ Salim social channels we have been able to reach over 3 million, engaged with over 200K and had direct hotline communications received from 260. We hope to expand this further along our supply chain sourcing regions.
100% of direct supply chain meet Outland Denim's Sustainability and Ethics Criteria;	97%	In the previous reporting period, 94% of the primary 2nd tier material production supply chain partners had met Outland Denim's Sustainability and Ethics Criteria. This reporting period 97% of the primary 2nd tier material production supply chain partners have met this criteria.
100% Traceability* achieved for every tier of our primary raw material supply chain.	100%	We have been able to trace down the supply chain of it's primary raw material, organic cotton in our denim. This has led us to the organic cotton farms where the fibre is grown and to the supplier of the seeds. Traceability is a key step in providing direction for due diligence of social and environmental standards.
Welcome an on-site mental health support professional to the team	50%	We have provided Trauma Informed Care training to leadership and provided them with an Employee Mental Wellbeing Process to follow when a team member is showing signs of struggling. We are utilising partner organisations to provide mental health support for employees as required, though there is still the goal of having someone trained and working in-house.
Collate health data to guide educational seminar topics and monitor overall impact of the clinic.	100%	We have utilized data from the on-site clinics to track impact and guide the topics of our health workshops.
Acquire evidence that all second tier suppliers remunerate their staff with a fair wage;	90%	Currently 90% of the direct major supply chain partners have been able to provide wage evidence. This could be through disclosing payslips, collective bargaining agreements, audit evidence or a signed wage statement letter from the business management confirming wage structure.
Continue to influence industry and advocate for better wages throughout the supply chain.	100%	Outland Denim team members actively spoke at and participated in conferences, panels, podcasts and other events to share on Outland Denim's social impact business model, living wages and the need for other businesses to take on a similar model to ensure those working in fashion supply chains are able to enjoy a decent a decent standard of living for themselves and their families.

Goal	Progress	Notes
Re-establish education and training programs post facilities closure due to COVID-19	100%	Outland Denim has had to rely more heavily on online Peer Educator style education workshops to continue with education programs during Covid-19. Our Peer Educators then train other employees on the topics. Outland Denim has been able to provide about 170 Education hours in the past financial year.
Establish in-house library and education centre, also equipped with resources for children's education at home	100%	In December 2020 we installed our first library and learning centre at our C&S facility. The installation of this library has been timely as COVID-19 has caused restrictions for children to attend school, so parents working at Outland Denim have been able to borrow books for their children to use while at home.
Provide access to free cervical cancer screenings for all female employees.	100%	Our valued partner, Mercy Medical Clinic, came and provided cervical cancer education and screening to all employees at our Cut and Sew Facility, and then offered free treatment to employees and family members if needed. In the next reporting period we have been able to provide the same education and screenings to our Wash and Finishing Facility employees.
Release dashboard to public providing live information on company social and environmental impact	20%	We have taken steps towards accomplishing this goal through its data collection methods and through completing initial planning stages of the project. Our next goal is to build out the dashboard and link data from each impact area into the system.
Continue to provide education to consumers as to the part they play as an 'ethical' shopper	100%	A key content pillar for Outland Denim's communications is education targeted at consumers as to the current practices of the fashion industry, as well as how we believe these can be improved upon. Channels where these content pieces are delivered include the Outland Journal, external speaking engagements, events, media, email and social, and influencer or brand collaboration partnership. A key example of these education is our annual World Day against trafficking in persons campaign. This year we have also aimed to education in more of a conversational setting with our community, introducing communications such as the 'what does ethical shopping mean to you' giveaway as an example.
Continue to provide education to consumers and the industry on living wages	100%	Outland Denim team members actively spoke at and participated in conferences, panels, podcasts and other events to share on Outland Denim's social impact business model, living wages and the need for other businesses to take on a similar model to ensure those working in fashion supply chains are able to enjoy a recent a decent standard of living for themselves and their families.
Continue to provide education to consumers on caring for denim	100%	We have continued to provide education on best practice denim and garment care by way of social media content, POS, and post-purchase emails.
Diversify our marketing, imagery and influencer network	60%	We've been able to diversify our visual representation across our marketing, branding and influencer mediums with a broader representation of both culture and size. We still have some work to do in being able to address size diversity at both an ecommerce and brand content level. Our goal is to better reflect and visually represent our global community.

Goal	Progress	Notes
Increase revenue generated by digital/online sales to offset wholesale losses experienced as a result of COVID-19	100%	Due to the impact of COVID-19, Outland Denim saw a need to invest into its digital sales to offset the expected decline in revenue from its wholesale business. In FY2021, Outland Denim achieved substantial growth in its online sales, growing by 2.2 times (in the prior year online sales had grown by 1.8 time). Additionally, over the second half of FY2021, Outland Denim saw new opportunities in its wholesale business and also was able to capture these opportunities to grow the wholesale business by 1.8 times.
Continue to nurture wholesale brand partnerships with retailers who align with our brand values and provide product accessibility at scale	80%	While COVID-19 has shut the doors of many retail stores for extended periods of time over the past two years, we continue to work closely with our existing retailers to provide them the season-relevant stock and in-store marketing support while continuing to prospect for potential new wholesalers who are aligned with brand values. This is an ongoing goal.
Continue to improve our direct sales experience through more streamlined websites across all our regions	100%	New websites have been rolled out with improved customer experience in mind.
Expand our product range to ensure loyal customers are able to "shop Outland" for more of their wardrobe requirements without sacrificing dedication to sustainability	100%	Outland Denim has expanded its product offering beyond denim and chambray to include RTW garments such as tees, skirts, dresses, and shirts made out of organic cotton and linen.
Capture market share from brands who have shown little real desire to remunerate their supply chain workers fairly or to genuinely invest into sustainability	50%	Outland Denim has nearly doubled sales in FY2021, growing 1.9 times. This growth has allowed Outland Denim to capture market share and grow its influence as a sustainable denim brand. While still only representing a fraction of the global denim jeans market, the demand for sustainable denim has continued to grow, which puts Outland Denim in a strong position to continue to capture market share from other global denim brands who are still yet to invest genuinely into sustainability. This goal will continually be in progress while the market share is held predominately by denim brands who have shown little real desire to remunerate their supply chain workers fairly or to genuinely invest into sustainability.

Better - 2 Year Goals

Goal	Progress	Notes
100% recycled water to be used in Wash and Finishing Facility. Implement a closed loop water filtration system	10%	Research has begun into an upgrade for our water filtration system. We are looking to update the system so that recycled water can go back into the process for reuse.
Track the environmental impact of every garment through the Wash and Finishing process by using 3rd party Environmental Impact Management scores	100%	Outland Denim has continued to improve its wash and finishing processes to further reduce its environmental impact and water use. Each wash recipe and process is scored and tracked through the Environmental Impact Measurement (EIM) system by Jeanologia.
Be subject to a case-study evaluating the effects of water recycling on water and plastic pollution in the garment sector.	5%	We have built relationships with Universities that could facilitate this research project. System upgrades need to take place at Outland Denim before we are able to be a case study for this research project.
Increase use of clean energy in all manufacturing facilities	0%	We have not made progress towards this goal yet.
Track the environmental impact of every garment through the Wash and Finishing process by using 3rd party Environmental Impact Management scores	100%	Outland Denim has continued to improve its wash and finishing processes to further reduce its environmental impact and energy use. Each wash recipe and process is scored and tracked through the Environmental Impact Measurement (EIM) system by Jeanologia.
Create a product that is 100% carbon neutral	10%	Outland Denim has completed calculations as a baseline to direct our business decisions towards this goal.
All domestic and international logistics to be carbon neutral	30%	Domestic orders are usually sent via Auspost. International are sent via DHL. Both these services offer carbon neutral logistics options, which Outland Denim is utilising. We have future plans to also include our Supply Chain logistic operations to be carbon neutral.
Track the environmental impact of every garment through the Wash and Finishing process by using 3rd party Environmental Impact Management scores	100%	Outland Denim has continued to improve its wash and finishing processes to further reduce its environmental impact and chemical use. Each wash recipe and process is scored and tracked through the Environmental Impact Measurement (EIM) system by Jeanologia.

Goal	Progress	Notes
Prioritise use of Bluesign certified chemicals.	26%	74% of the chemicals Outland Denim use in its wash and finishing process meet Level 1 ZDHC MRSL V2.0. 26% of products used meet level 3 ZDHC MRSL V2.0 and are Bluesign certified.
100% of all post-industrial waste materials to be diverted from entering landfill within two years	15%	Currently all Outland Denim textile waste is collected, donated or stored for our textile waste solution project. Laboratory testing has been successful for the development of a closed loop textile waste solution.
Implement findings of research program into black dye alternatives that use organic or plant-based dyes into 100% of Outland Denim's black denim range	10%	Outland Denim has now updated all it's black denim to denim dyed using a process known as Saveblack. Through the Saveblack process, 85% water saving was achieved in proportion to the conventional dyeing, therefore the same amount of decrease in wastewater was realised. In addition to this, Outland Denim has expanded it's range of undyed denim products. Outland Denim has continued to look into more sustainable alternatives for black denim dyes. Currently we have not been able to find a mill with the equipment we need to proceed in developing a complete solution, though we will continue to investigate options as more technology becomes available.
Establish similar partnership programs in each of Outland Denim's major regions of distribution, including the United States, United Kingdom, and Canada	20%	Outland Denim has reached out to potential partners in the USA & UK to discuss donating jeans to their organisations who support people in need through various projects.
Decrease environmental impact of using stretch fabrics while maintaining and improving product durability	30%	Over the past 12 months Outland's Denim Designer has only introduced new fabrics with 1% elastane or less. All compositions are combined with organic and/or recycled fibres. This reporting period we used 1.36% of elastane and 83% natural fibres. We still have room to improve in this area.
Expand product repair opportunities	30%	Outland Denim has employed a team member in-house with the sewing skills to perform repairs on Outland Denim products when possible. We have started a system to track the number of items requiring repair, along with the % that we were able to repair for our customers.
Change the interlining of jean waistbands to an option crafted using recycled polyester fibres	0%	We have not found an available sustainable option for this yet.
Support suppliers with free training, plans and programs to improve social conditions for all workers	10%	Outland Denim has already been providing education on human rights and other key social issues, to the workers in its supply chain. We are now starting the process of planning further capacity and training for our primary raw material supply chain.

Goal	Progress	Notes
Assess further to current methods the use of fibres used for our raw materials, taking into account the environmental impact of each	70%	Outland Denim has numerous research projects on-going for the fibres it works with and considers working with. Current research projects include; organic cotton, vegan leather alternatives, pre and post consumer recycled cotton, Ecovora/viscose, hemp, polyester, PBT, elastane, fibre in-use and end of life environmental impacts research. This is on-going as Outland Denim's range grows and new information and technology becomes available.
Traceability Scoring System and Sustainability and Ethics Criteria implemented for minor suppliers (ie. packaging)	30%	Scoring system has been created but not yet implemented with all minor suppliers.
Develop, facilitate and replicate a Mental Health program aimed at employees with low levels of literacy and education who have experienced exploitation prior to their employment with Outland Denim. Improve self-care, mental health and, therefore, workplace productivity and satisfaction	10%	Outland Denim's HR and Staff Support team and our clinic Nurses, have received training around mental health care.
Contribute to a reduction in preventable disease and illness in workforce and workforce households	100%	Our leadership team has also joined a workshop on Trauma Informed Care, hosted by International Justice Mission.
Outland Social and Environmental Impact Manager (with a social auditing expert) to visit supplier facilities to ensure social compliance and that Corrective Action Plan (CAPs) are being followed	0%	Due to COVID-19 restrictions, our team members have not been able to freely travel to supply partners as planned, however this is still an on-going goal.
Expand on Living Wage Methodology and research for each location and tier in Outland Denim's supply chain	30%	We have set up a living wage template and looked to adopt living wage calculations to use as a benchmark and guide for the majority of its direct supply chain. Work still needs to be done to research beyond tier 2.
Deliver 150 hours/year of free education programs	100%	171 hours of Education and 103 hours of Industry training were provided to management and employees over the 1st July 2020 - 30th June 2021 reporting period.
Open current programs and education to wider local community	50%	Setup up a library and education centre in its facilities that has allowed parents to borrow books for their children and other household members. This has been especially timely with COVID-19 school closures. There are further opportunities to take education programs to the wider local community.

Goal	Progress	Notes
Provide education to consumers on certifications and what they mean	50%	Introducing more on this by way of video, social media and journal articles. We are also planning to survey our community as to what certifications they know of already, use to inform purchasing, or would like to learn more about. This will direct our future education on these topics.
Calculate and make public the social and environmental impact of one Outland Denim garment	20%	We have recently completed calculations to play a part in achieving this goal.
Expand to have staff working full time in producing for other brands in Cambodia	100%	Expanded product offering and began producing for other brands. This has expanded full time employment opportunities in Cambodia by 50% in the last financial year (FY21).
Formalise holistic stockist support program	50%	Implemented the Joor sales platform to allow for faster and easier presentation of the brand story and available products, as well as for speedy order processing. This is a global sales platform which has reach to stores in the US, Europe and the UK. Updated the stockist location finder on the website. Worked throughout 2021 to be in a position to provide stock coverage in season-relevant core and key trend styles allowing stores to place regular replenishment orders. Expanded digital marketing department allowing for better content strategies, including an Influencer partnerships program, to support sales.
Offer investors better-than-average returns on investment		Continued to grow in value in FY2021, growing the value per share held by its investors. Outland Denim is committed to getting our investors healthy returns and, as a result, encourage more investment into the ESG investment space.

Best - 5 Year Goals

Remove 100% of irrigated cotton in the production of our garments
Become carbon +
Achieve Net Zero Greenhouse Gas Emissions by 2030
All Outland Denim washes to measure in the 'Low Impact' category by using 3rd party Environmental Impact Management scores
Research new sustainable and safe chemical options to get all Outland Denim wash and finishing processes to measure in the 'Low Impact' category using 3rd party Environmental Impact Management scores.
Find a solution to textile waste in landfill, that can be utilised by Outland Denim as well as other brands;
Create carbon offsets as a by-product of products sold
Create waste management system that leaves planet and people in a better position
Establish plastic free facilities
Implement post-consumer recycling or second-hand program
Collaborate across the fashion industry to make research into black dye alternatives available and usable for other brands manufacturing denim
Remove the environmental impact of using stretch fabrics in the post-consumer phase
Work with suppliers and farmers in supporting improvements for water, pesticide and chemical and energy usage during production
Monitoring farmers' income to ascertain that fair cotton prices and wages are being paid
Partner with experts to ensure a robust human rights due diligence program is in place throughout the supply chain, from farm to final product
Open Outland Denim Health Clinic for the benefit of the wider local community
All suppliers in each tier to remunerate their staff with a fair wage, adequate to ensure a decent standard of living
Establish retirement fund for Outland Denim Cambodia staff
International certification or accreditation for training
Scholarships for staff to further education
Introduce additional educational topics such as small business, nutrition classes, agriculture, environmental impact and further leadership development.
Our long-term goal is to demonstrate to the wider fashion industry and business in general that purpose-led business can be profitable while protecting the planet and humanity.
Provide manufacturing services to the world's largest brands
To help facilitate existing manufacturers to producing to the Maeka Standard™
For the Outland Denim brand to have market share in the premium denim space.



Statement of Continuous Improvement

We don't have all the answers or solutions...no one organisation, business or individual does. But we celebrate progress, not perfection.

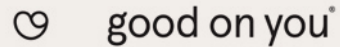
It is to be expected that we will fall short of the ideal. However, we are committed to making continual improvements and are always seeking to do better, to push forward, and plough new ground.

We hope to be an encouragement to the fashion industry by moving toward a more economic and ecologically sustainable business model with ethical practices that will benefit not only the environment but the very real lives of the many individuals and families that make up the communities most at risk of exploitation.

Awards and Certifications



STOP SLAVERY
A W A R D



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