

GLG CORP LTD

MODERN SLAVERY STATEMENT

2020/2021 FINANCIAL YEAR



A GLOBAL TEXTILE & APPAREL SUPPLY CHAIN ENTERPRISE

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1. REPORTING ENTITY

This statement is made in accordance with the Modern Slavery Act 2018 (Cth) (the **Act**) by GLG Corp Ltd (ACN 116 632 958) (the **Company**), a reporting entity under the Act.

This statement sets out the actions taken by the Company to identify, assess and address modern slavery risks in its operations and supply chain for the financial year ending 30 June 2021 and is expressed as at 30 June 2021.

2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

2.1 General overview

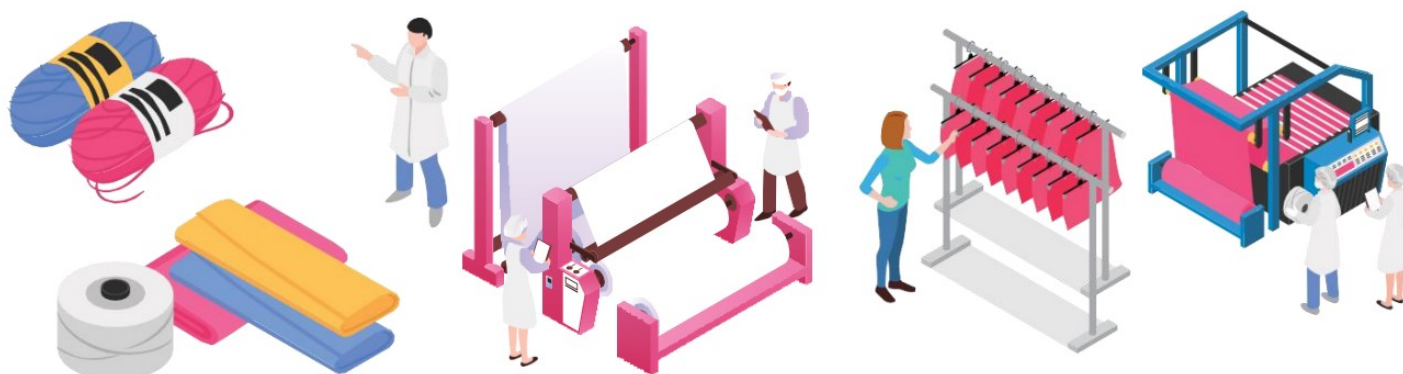
The Company has been a vertical cut, sew knits textile and garment manufacturer for over 44 years. The Company is Singapore based and including its subsidiaries employs about 9,000 employees across 9 countries. The Company's network of factories and subsidiaries are located in Singapore, Malaysia, Indonesia, Cambodia, USA, Hong Kong, Vietnam, Korea and Australia, and annually produce more than 64.8 million pieces of garments a year. The Company owns and operates vertical fabric mill Maxim Textile Technology Sdn Bhd in Malaysia with a fabric manufacturing capacity of 2.5 million lbs of knitted fabric monthly. The Company manufactures multi product types including ladieswear, menswear, kidswear and sleepwear. Current customers include a range of USA and European specialty store retailers, major department stores and supermarket chains. The Company constantly drives to innovate to provide customised solutions to individual customers' demands.

2.2 Structure

- (a) The Company is a public company and was incorporated in Australia on 12 December 2005.
- (b) The Company's shares are quoted on the Australian Securities Exchange, having been admitted to the official list of the Australian Securities Exchange on 12 December 2005.
- (c) The Company's registered office is located at Suite 4201, Level 42 Australia Square, Sydney, NSW, 2000.
- (d) The Company's principal administration office is located at 21 Jalan Mesin, Singapore, 368819.
- (e) The Company's largest shareholder, Ghim Li Group Pte Ltd, held approximately 71.98% of the Company's shares on issue as at 30 June 2021. Ghim Li Group is an investment company incorporated in Singapore with share voting rights.
- (f) The Company directly and indirectly owns or controls 10 companies which are incorporated in Malaysia, Cambodia, USA, Hong Kong and Singapore and which include fabric mill, garment manufacturing and retail sale businesses as follows:



Owned and controlled entities	Date and country of incorporation	Business	Ownership structure
Ghim Li International (S) Pte Ltd	1 September 2003, Singapore	Investment holding	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd
Ghim Li Global Pte Ltd	24 July 1999, Singapore	Trading	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd, which owns 100% of the shares in Ghim Li Global Pte Ltd
AES (USA) Inc	7 July 2016, USA	Trading	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd, which owns 100% of the shares in Ghim Li Global Pte Ltd, which owns 100% of the shares in AES (USA) Inc
Escala Fashion Pte Ltd	5 May 2000, Singapore	Retail sales of apparel and accessories	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd, which owns 100% of the shares in Escala Fashion Pte Ltd
Ghim Li Global International Limited	7 February 2001, Hong Kong	Logistic warehouse and support services	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd, which owns 100% of the shares in Ghim Li Global International Limited
G&G International Pte Ltd	27 May 2016, Singapore	Investment holding	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd, which owns 100% of the shares in G&G International Pte Ltd



Owned and controlled entities	Date and country of incorporation	Business	Ownership structure
Maxim Textile Technology Pte Ltd	17 August 1972, Singapore	Commission agent	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd, which owns 100% of the shares in G&G International Pte Ltd which owns 100% of the shares in Maxim Textile Technology Pte Ltd
Maxim Textile Technology Sdn Bhd	28 November 1991, Malaysia	Fabric manufacturer	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd, which owns 100% of the shares in G&G International Pte Ltd which owns 100% of the shares in Maxim Textile Technology Sdn Bhd
Ghim Li Fashion (M) Sdn Bhd	25 January 1984, Malaysia	Garment manufacturer	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd, which owns 100% of the shares in Ghim Li Fashion (M) Sdn Bhd
GG Fashion (Cambodia) Co., Ltd	9 August 2017, Cambodia	Garment manufacturer	The Company owns 100% of the share in Ghim Li International (S) Pte Ltd, which owns 100% of the shares in GG Fashion (Cambodia) Co., Ltd

The chart below illustrates the structure of the Company and its owned and controlled entities. For the purposes of this statement, references to "group" are references to the Company and each of the owned and controlled entities listed below.

Organisation Chart



2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN (cont'd)

2.3 Operations

- (a) The Company operates, through its subsidiaries, fabric mill and network of garment manufacturing factories throughout Malaysia, Indonesia, Cambodia and Vietnam, and operates retail sales in Singapore, Korea and USA. The fabric mill is strategically set up in Malaysia which is close to the Company's network of garment factories in Malaysia, Indonesia, Cambodia and Vietnam. The Company's vertical fabric mill offers a fully integrated fabric manufacturing facilities across the textile value chain such as Knitting, Dyeing, Finishing & Printing. The Company's network of garment manufacturing factories offer one-stop manufacturing solutions from design, R&D, merchandising, manufacturing, C-TPAT warehousing, transport, customs brokerage all the way from country of origin manufacturing to last-mile delivery to customers' distribution centres.
- (b) The number of network factories and employees in each country is set out below:

Country	Factory/Office Numbers	Employee Size
Australia	1 (registered address only)	0
Singapore	5	98
Malaysia	2	867
Cambodia	2	3,216
Indonesia	2	4,789
TOTAL	12	8,970



2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN (cont'd)

2.3 Supply Chain

The Company sources products from various countries as follows:

- (a) accessories from Malaysia, China, Cambodia and Hong Kong;
- (b) yarn from India, Vietnam and USA; and
- (c) fabric from Vietnam, China and Cambodia.

The Company controls central procurement. The Company ensures that all products are procured with appropriate certificates of origin and from approved suppliers.

3. RISKS

The Company's Corporate Compliance Department has assessed the risk of modern slavery within the operations and supply chains of the Company and each member of the group described in section 2.2 above.

The table below outlines the key identified potential modern slavery risks.

Category of risk	Description of potential modern slavery risk															
Geographic risks due to poor governance, weak legal systems, conflict, migration flows and socio-economic factors	Geographic risk varies, depending on the degree of legislation and enforcement in the countries where the group operates, sources supplies from or uses labour hire. The Company has identified the following key geographic risks: <table><tr><th>Country</th><th>Risk</th><th>Example of product/ services</th></tr><tr><td>Singapore</td><td>Lack of skilled labour</td><td>Retail and office services</td></tr><tr><td>Malaysia</td><td>Migrant labour exploitation</td><td>Fabric and apparel</td></tr><tr><td>Cambodia</td><td>Freedom of association</td><td>Apparel</td></tr><tr><td>Indonesia</td><td>Freedom of association</td><td>Apparel</td></tr></table>	Country	Risk	Example of product/ services	Singapore	Lack of skilled labour	Retail and office services	Malaysia	Migrant labour exploitation	Fabric and apparel	Cambodia	Freedom of association	Apparel	Indonesia	Freedom of association	Apparel
Country	Risk	Example of product/ services														
Singapore	Lack of skilled labour	Retail and office services														
Malaysia	Migrant labour exploitation	Fabric and apparel														
Cambodia	Freedom of association	Apparel														
Indonesia	Freedom of association	Apparel														
Industry and sector risks	The group's businesses are based in the fashion and textile industry which is recognised globally as a high risk industry for potential modern slavery risks. The Company is aware that there is an increased risk of modern slavery practices being adopted in industries that seek to minimise production costs. That is, a focus on minimising production costs can lead to labour exploitation or illegal deductions from employee wages in order to keep production costs low. The Company is also aware that there is an increased risk of modern slavery where the Company sources raw materials or supplies from third party suppliers operating in jurisdictions in which it does not have operations (as in this case, the Company may not have a clear oversight over the entity/business or practices. Minimising production costs may also increase the risk of human rights violations through harassment or abuse, health and safety measures being compromised, gender discrimination and exploitation of working hours without rightful compensation.															

4. ACTIONS TAKEN BY REPORTING ENTITY

Group entities have adopted a number of practices to reduce the risk of modern slavery in their operations and supply chain. These are described below.

4.1 Due Diligence

The Company's Corporate Compliance Department regularly conducts due diligence exercises across the Company's businesses to identify risks that may contribute to modern slavery practices. We also work with international compliance bodies such as WRAP, Betterworks, ILO and Elevate, as well as organisations that uphold requirements around sustainable practices such as Oekotex, Higgs and GOTS. These bodies conduct annual audits on all the entire group and its broader manufacturing supply chain.

4.2 Refining procedures

The group has taken measures to refine its policies and procedures to ensure all suspected or identified incidents are escalated on a timely basis.

4.3 Code of Conduct

The Company has introduced a Code of Conduct which sets out the Company's expectations regarding the conduct of all group directors and employees. All such personnel are required to comply with the Code of Conduct.

4.4 Training

The Company provides training to all employees to ensure they are aware of how to recognise modern slavery risks and understand the process for reporting suspicious behaviour.

In addition to this, the Company's Corporate Compliance Department conducts onsite modern slavery training across the Company's network of factories.

Further, the Company has been providing information on health and safety considerations and other emergent risks attributable to the COVID-19 pandemic (given the nature of the pandemic has the potential to increase the risk of modern slavery incidents).

4.5 Facility self-assessment

The group tracks the performance of its businesses by conducting internal facility self-assessments, supervised by an internal compliance officer.

4.6 Guidelines

The Company works closely with its international customers, many of whom require the Company, as a supplier, to follow stringent codes of conduct. The Company has adopted customer guidelines concerning the operation of its network of factories and has also required the Company's suppliers to comply with appropriate guidelines.

4.7 Audits

Each year the Company's network of factories undergo compliance audits conducted by an external auditor as required by the Company's customers in order to continue the working relationship with them.

4.8 Contractual requirements imposed on suppliers

The group is committed to legal compliance and ethical and humane practices in all aspects of its business. All suppliers and business partners must operate in full compliance with all applicable local and national laws, rules and regulations. All business partners must maintain high standards of business ethics and regard for human rights. If industry practices exceed local legal requirements, the higher standards are imposed on the supplier.

The Company and its owned and controlled entities have introduced specific terms and conditions in their material supply contracts obliging the supplier to commit to mitigating the risk of modern slavery.

4.9 Broader monitoring processes

- (a) The group does business with international retailers which have strict international compliance standards on ethical and human rights compliance.
- (b) Suppliers and networks of factories are regularly monitored and audited by our customers and international compliance bodies including the International Labour Organization (ILO), Worldwide Responsible Accredited Production (WRAP), Betterwork and the Global Organic Textile Standard (GOTS).
- (c) The group has agreements in place with operators of all factories which include a commitment to a stipulated production capacity. Key personnel including compliance, human resource and quality controlled executives are also strategically stationed to ensure the outsourced factories' compliance with local requirements. The group works strictly with suppliers that have been approved by the group's customers and ensure that its suppliers meet the requirements of all its customers at all time.

4.10 Remediation

The group has a confidential whistleblowing process that employees are encouraged to use to report any code or policy violations including modern slavery incidents or risks.

An email address specific for matters relating to ethics has also been set up and is regularly monitored by the Company: ethics.hotline@ghimli.com.

The Company also implements corrective action plans (CAPs) in circumstances where there are any concerns or risks raised by its customers or during factory audits, and seeks to implement such plans within 14 days.

The Company's subsidiaries, GG Fashion (Cambodia) Co., Ltd and GG Fashion (Cambodia) Co., Ltd (Branch) are members of "Betterwork Factories Cambodia", a unique partnership between the UN's International Labour Organization (ILO) and the International Finance Corporation, a member of the World Bank Group. The program engages with workers, employers and governments to improve working conditions and boost competitiveness of the garment industry in Cambodia. These subsidiaries go through a process of learning that includes assessments, advisory services, industry seminars and training. Based on findings from an onsite visit, the Company has adopted remediation processes recommended by Better Factories Cambodia. Further, factory performances are posted online through the ILO Portal. The information on the ILO Portal may be accessed by the Company's customers as well as the public with the Company's consent to access.

The Company's Malaysian fabric mill is a member of Sedex Members Ethical Trade Audit (SMETA), it uses the Ethical Trading Initiative Base Code and the local law as its monitoring standards of social and ethic compliance.

5. ASSESSMENT OF THE EFFECTIVENESS OF ACTIONS

In order to assess the effectiveness of the group's actions against modern slavery, every six months internal self-assessments are conducted by the Group Compliance manager together with a factory compliance officer. The internal self-assessments are conducted more frequently where there are changes to legislation in the relevant jurisdictions. Internal audits are mandatory for each factory to ensure they are fully compliant with local legislation and the requirements of the group's customers. These internal audits are conducted prior to any external audit. In addition, every month, internal compliance teams conduct their own audits focused on health, safety and environment requirements. We assess the results of such audits to consider the outcomes of the measures we have put in place to minimise the risk of modern slavery practices in our operations and supply chain.

The Company has partnered with Worldwide Responsible Accredited Production (WRAP) to participate in joint audits on the Company's network of factories to ensure full adherence to social and ethical compliance. Each factory within the Company's network has valid WRAP certifications.

The group monitors its own facility compliance performance which is guided by third party auditors including WRAP and the ILO and their audit results.

From a broader perspective of assessing the effectiveness of our actions, the Company:

- (a) regularly checks its risk assessment processes and considers whether any new risks have arisen in the business (for example, whether the introduction of operations in any new jurisdiction presents a higher risk);
- (b) has implemented a process involving its HR department to regularly interview and check in with factory workers;
- (c) engages a third party to engage with factory workers (on a random basis) to interview them regarding working conditions, health and safety etc;
- (d) assesses the actions taken by its suppliers to correct any risks by engaging a third party inspector to assess the implementation by such suppliers of any corrective action plan;
- (e) partners with international bodies including WRAP, HIGGS, Oekotex and Control Union (GOTS and GRS).

6. PROCESS OF CONSULTATION

The Company has consulted with the directors and key employees of each of the owned or controlled entities listed in section 2.2 of this statement in order to produce this statement. The directors of these entities have regular discussions with their respective teams on the progress and adherence to the compliance regulations.

7. OTHER INFORMATION

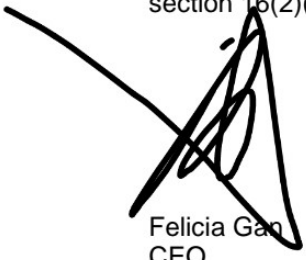
GG Fashion Cambodia Co., Ltd is a member of the ILO advisory council which gives support to our factories by conducting assessment, trainings and Corrective Action Plan (CAP) remediation process advice.

Being a member of ILO advisory, all issues and findings which are identified as part of the ILO annual audits (such as matters pertaining to health and safety, wages, and workers benefits) are subsequently addressed during advisory meetings which occur every two months until all the findings have been satisfactorily addressed.

GG Fashion is also a member of GMAC (Garment Manufacturer Association of Cambodia). This body provides support to its members to address any issues related to workers standard benefits. The Company is working with GMAC with a view to advising human rights in business and eradicating abuse in the workplace.

8. APPROVAL

This statement is made by GLG Corp Ltd for the financial year ending 30 June 2021. This statement has been approved by the board of directors of GLG Corp Ltd on 28 December 2021 for the purposes of section 16(2)(a) of the Act.



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CEO



ghim li

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