



Introduction

Mighty Good Basics has elected to prepare this modern slavery statement to maintain our commitment to our core principles, and foster a culture of transparency across our industry. In doing so, we hope to encourage other entities who sit below the government mandated threshold, to do the same, and voluntarily take the opportunity to respond to modern slavery issues present in their supply chain.

Since inception in **2016**, we have remained ahead of the curve, ensuring we continuously strive to be industry leaders when it comes to preventing modern slavery through our business operations.

This Statement is prepared by Mighty Good Basics A.B.N. 71 636 036 827 to describe our business operations and supply chain in 2020/21, the risks pertaining to these activities and the measures in place to address them.

Mighty Good Basics (MG/B) acknowledges that there is no universally agreed definition of Modern Slavery, and takes this opportunity to respond to the [Australian Modern Slavery Act 2018](#), definition, which describes it as ‘an offence under Division 270 or 271 of the Criminal Code’ ‘trafficking in persons’ and ‘the worst forms of child labour.’

MG/B builds on this in our interpretation of Modern Slavery to include exploitation under general umbrella terms including ‘slavery like conditions’, servitude, coercion, abuse of power, threats and deception and debt bondage.

MG/B not only opposes all forms of slavery and exploitation, but was established with the sole purpose of providing consumers with an ethical, transparent alternative in the intimates category, one which contributes to a shift in practices within the high-risk garment industry and counteracts the harm caused by fast fashion. We are committed to ensuring our supply chain remains certified, slavery free and transparent, as we continue to foster a culture of fairness and equity across our organisation and with our partners.

Director’s Note

Mighty Good Basics was founded with a deep commitment to ethical business and a personal passion for offering consumers an ethical intimates option. We’ve been consistently awarded an A+ rating by the Baptist World Aid Ethical Fashion Report, since our inception.

Reflecting our longstanding commitment to a company founded on decent work and fair pay, in 2017 , MG/B ran our inaugural ‘Bare for Good’ campaign, which calls on prominent and everyday Australians to ‘bare it all’ in their MG/B underwear, encouraging consumers and the fashion world to consider who made their clothes, and the conditions they work under. This complements the range of community and social partnerships we support throughout each year, and the human rights priorities demonstrated by our manufacturing partners.

For MG/B, as a small Australian apparel company, being an ethical business means going beyond the bare minimum. Whilst we are supremely proud to use certified fair-trade producers across all of our supply chain, ethical operations require more than accepting a tick in a box. We are constantly striving to support our partners, in India and Australia, to empower their vision of a world where everyone has access to fair work, for equal pay. And, in the COVID19 context, this work is as important as ever.

We recognise that the COVID19 pandemic has drastically impacted those in vulnerable categories of employment, including the informal sector and garment manufacturing, and exacerbated existing forms of discrimination and inequality. The hardship caused by this impact is felt acutely by women around the world, who often take on the role of unpaid household and community carers, make up the majority of frontline workers and unpaid labourers and are overrepresented across the garment manufacturing industry. The disproportionate impacts of the

pandemic on people experiencing intersecting forms of marginalisation, such as gender diverse people, people with a disability, members of the LGBTQ+ community and children, and those experiencing poverty prompted MG/B to release a COVID19 statement, which we include later in this statement.

Moving forward, we are continuing to support our suppliers to return to business when safe for their employees, and logistically possible, ensuring our ongoing commitment to safety and wellbeing. Next year, we look forward to improving our existing community partnerships and projects and continuing to uplift diverse voices.

A handwritten signature in black ink, appearing to read 'David Wommelsdorff', written over a horizontal line.

SIGN _____

DAVID WOMMELSDORFF

DIRECTOR

MIGHTY GOOD BASICS

Our COVID19 Statement

Mighty Good Basics: Statement on Commitment to Ethical Production and Human Rights in the COVID-19 Context

Mighty Good Basics acknowledges the impact the COVID-19 pandemic is having on the nature of work and life, experiences of inequality and personal and health security for everyone around the world. As a committed ethical producer we are compelled and obligated to understand the implications this has on our supply chain, and how we can fulfil our moral responsibilities to suppliers, workers, customers and the industry in this context (beyond basic minimum legal standards applying to all businesses). The below resolutions reflect initial evidence emerging from the COVID-19 crisis, which is only beginning to be grasped around the world.

In light of the above, Mighty Good Basics:

1. *Acknowledges the ways the COVID-19 pandemic is affecting people differently, including the disproportionate impacts of the crisis on the poor and most vulnerable in every economy, and that COVID-19 has complex and concerning implications for global aspirations to reduce poverty and inequality and eliminate modern slavery.*
2. *Notes with concern that garment workers as a population group – the majority of whom are women – often face multiple fields of disadvantage and compounding experiences of inequality, likely to be exacerbated long-term by this crisis^[1]. An ethical response to the pandemic by businesses must address this specific and persistent inequality in the garment/manufacturing industry.*
3. *Pledges to assess our practices and operations periodically, as evidence of the impact of COVID-19 on our supply chain becomes available, and as manufacturing partners move beyond the immediate crisis response period, and look to support workers to safely return to work.*
4. *Supports open and honest communication with our suppliers regarding the impact of the pandemic on their business operations and social safeguards, to ensure partners do not feel pressured to continue operating in a way that places workers' safety at risk, in the interest of meeting unfair deadlines (including by MGB not breaking existing order commitments or payment schedules).*
5. *Commits to ensuring reporting and transparency requirements do not burden suppliers in a way that distracts from social protection and that workers' health, rights, security and safety remains at the core of our manufacturing, production, distribution and general operations.*
6. *Will uphold existing efforts to ensure our business response to COVID-19 is ethical, human-centred and evidence-based, including (where appropriate and feasible) re-examining community impact partnerships as and community contributions.*

<https://bit.ly/3hum43M>

Our Business, Structure and Operations

At Mighty Good Basics (MG/B), ethical production is at the heart of everything we do. It's the reason our Directors and founders decided to embark on this journey. But it's also more than this. We believe that our choices can be a powerful driver for change, and that this has the potential to reduce the inequality and exploitation felt by the millions of workers across every level of the supply chains in the garment manufacturing industry.

We believe in a world where business embodies transparency and carries respect for human rights and the planet, particularly for the people working behind the scenes to make this happen. That's why we partner with the world's best ethical factories and source the finest organic Fairtrade cotton.

Our business comprises of a Director and two Employees, all of whom are shareholders of the business, and work tirelessly to support our impressive partners abroad, as they bring to life our vision of ethical intimates for everybody. In 2021, we are seeing more brands position themselves as inclusive and a lever for empowerment, but in many cases, they don't apply this approach to the very workers who enable their business to succeed and develop their products! We challenge our colleagues across the industry to interrogate the risks in their supply chain, regardless of whether they are legally obligated to do so or not. As the world recovers, our team (David, Elena and Ayla) look forward to visiting our suppliers and learning how we can enable their COVID recovery. In the meantime, we have been privileged to support them from afar, as they keep their staff safe.

Our Happy Boxes Project Partnership

Mighty Good Basics is proud to work in partnership with the Happy Boxes Project to empower and support women in remote Indigenous Australian communities.

We believe that underwear is a necessary item, not a luxury. Sadly, for many Indigenous Australian women, decent underwear and basic clothing items are simply inaccessible due to remote distances between communities and stores, or they are completely unaffordable.

Daily living essentials in remote community stores are consistently sold at a far higher cost than average prices, making it nearly impossible to purchase even the most basic items.

The Happy Boxes Project team works with designated Happy Box coordinators living in each remote community, whose responsibility is to share and allocate the 'Happy Boxes', containing a range of basic items to the women in the most need.

At Mighty Good Basics, we believe that when you empower women, you empower communities. By providing access to essential items such as underwear, we endeavour to empower these young women on both an emotional and practical level. To date, we have donated 500 pairs of Mighty Good Basics to the Happy Boxes project and we aim to provide ongoing donations year on year based on the growing requirements of the 60+ remote communities throughout Australia.

Through our partnership, we provide an ongoing donation of Mighty Good underwear and basics in each of the Happy Boxes being sent out to over 60 remote communities throughout Australia. To date, we have donated 500 units to the Happy Boxes project and will continue to do so, based on their needs.

As a business we recognise that we need to play a role in the equal rights of Aboriginal and Torres Strait Islander people. We are beginning that process with our partnership with the Happy Boxes Project as we look to the future to create other pathways to form more equal representation in our business and beyond.

You can read more about their work [here](#)

Supply Chain

We are proud to have a strong, established and certified ethical supply chain located in India. All our suppliers have a track record of producing high quality garments at scale for International brands. They all carry certification under the Fairtrade Labelling Organisation (FLO), the Global Organic Textiles Standard (GOTS) and the sa 8000 social accountability standard. We are intimately involved with our suppliers and communicate regularly through factory visits (when safe), phone calls and emails.

For this reporting period (FY2021) all our cotton was supplied by one of the three organisations below, which all specialise in working with, and supporting small scale organic and Fairtrade cotton farmers. Each organization provides technical, agricultural, economic and marketing support to its members to improve sustainability in farming and deliver increased profitability for its members, in an ethical and transparent manner. These organisations are:

CHETNA ORGANICS

Based in Hyderabad and works with about 35,000 small-scale farmers throughout the rainfed regions of central India.

SUMINTER ORGANICS

Based in Mumbai, Suminter works with over 20,000 farmers in nine Indian states.

NOBLE ECONTECH

Based in Madhya Pradesh, Noble is one of the largest fairtrade cotton producers in the world.

Modern Slavery Risks

MG/B was founded from an acute awareness of the vulnerabilities exploited by the garment manufacturing industry, and the very human costs of its risks, particularly given the multiple stages of the supply chain usually involved in garment production.

Corporate Risks

As a small business, with our three staff also being directors and shareholders, and located in Australia, we deem our head office environment to be low risk for modern slavery, and certainly surpassing minimum standards under Australian law and global standards.

Supply Chain Risks: Context

MG/B recognizes the potential for significant risks across our supply chain, given the forced labour, trafficking, exploitation and bonded debt endemic to the garment manufacturing sector. Our suppliers are all located in India, where, [according to the global slavery index](#), an estimated 7.9million people are in modern slavery, and garment manufacturing is deemed a 'significantly at risk industry' for modern slavery to occur.

Understanding the complex and complete picture of modern slavery in India, particularly in relation to the problematic cotton industry, has been a critical element of our risk management approach, and indeed our core business objectives. Furthermore, understanding that forced labour in the Asia Pacific contributes to USD51.8bn each year, is a critical part of ensuring our risk management is informed by robust knowledge of the ways the industry has so far been able to 'get away with' exploitation and modern slavery, and indeed profit from these practices.

As a result of these well documented and widespread labour issues, which have been exacerbated by the economic and social insecurity brought on by COVID19, we identified that for this reporting period, the risks of Modern Slavery occurring across our supply chain are medium to high before mitigation.

Risk 1: COVID19 limitations and accountability

Risk category before mitigation: HIGH

We have identified that for this reporting period, our operations reflect high category risks for modern slavery where we, or our certifying assessors, have been unable to travel to manufacturers and suppliers for accountability and auditing purposes. This risk is increased when we consider the vulnerabilities facing our suppliers in COVID stricken India.

Risk 2: Adherence to social and formal employment standards

Risk category before mitigation: HIGH

Prior to COVID19 we noted the high-risk environment in our operating country (India), when it comes to compliance with decent and fair work standards and pay in the garment manufacturing industry, particularly given

the lack of comprehensive regulation by the government. This risk is present across all levels of our supply chain, from input sourcing through to product assembly, and is therefore one we take incredibly seriously. For this reason, we have always demonstrated a rigorous commitment to partnering with manufacturers and organisations able to demonstrate their compliance with ethical practices, decent and fair work standards and above average community engagement.

Risk Management Strategies

We manage, respond to and understand these risks in a variety of ways:

1. Undertaking regular in-house assessments and audits of suppliers and partners, including through using verified, well-regarded independent assessors.
2. Ensuring we consciously build robust relationships with suppliers at all levels, to ensure mutual respect and transparent communication.
3. Voluntarily undertaking rigorous and well-regarded transparency efforts, in the public interest, such as the [Baptist World Aid Ethical Clothing Report](#).
4. Ensuring we are constantly seeking new opportunities to improve the sustainability of our ethical practices, by keeping abreast of global trends, industry standards and issues and emerging research on modern slavery and exploitation in the industry.
5. Engaging only certified suppliers who have a strong track record of transparency and high standards of ethical operations. All levels of our supply chain are certified Fair Trade and our inputs are certified organic. This means that on top of our efforts to contract independent assessors, these partners are required to participate in regular audits by certifying authorities (such as Fairtrade, GOTS), ensuring we are confident in the standard of work across our supply chain. The below graphic outlines how our risk managed approach manifests across our certified suppliers at every point of the manufacturing process:

We carry a number of certifications which act as a protection for our entire supply chain.

Fairtrade Certification

Fairtrade works with farmers who've formed small producer organisations, as well as contract production organisations in the process of forming independent cooperatives. Many Fairtrade cotton organisations are in West Africa – namely Mali, Senegal, Cameroon and Burkina Faso. But it's India that grows the most Fairtrade certified cotton.

Cotton production is linked to several environmental issues: Extensive usage of agrochemicals and excessive use of water put fresh water supplies for local populations at risk. Unpredictable weather conditions also endanger the livelihoods of small-scale farmers. Fairtrade works with farmers to stop or reduce the usage of agrochemicals and supports them to adapt to changing climate patterns. Fairtrade cotton fields in Western Africa and India are rainfed, reducing the region's water footprint, when compared with production in other countries.

Requirements in the Fairtrade Standards also protect farmers' health and safety and ban genetically modified cotton seeds. A large percentage of Fairtrade cotton is also organic certified, and Fairtrade encourages and empowers cotton farmers to protect the natural environment as an integral part of their farm management.

GOTS

The Global Organic Textile Standard (GOTS) was developed by leading standard setters to define world-wide recognised requirements for organic textiles. From the harvesting of the raw materials, environmentally and socially responsible manufacturing, to labelling, textiles are certified by GOTS to provide a credible assurance to the consumer.

SA 8000 SOCIAL ACCOUNTABILITY STANDARD

SA8000 is the leading social certification standard for factories and organisations across the globe. Established by Social Accountability International (SAI) in 1997 as a multi-stakeholder initiative, the Standard has evolved into an overall framework that helps certified organisations demonstrate their dedication to the fair treatment of workers.

This multi pillared approach enables us to ensure our manufacturing partners are held accountable at all levels (as well as our own practices at head office level!), continuously enhancing our understanding of modern slavery risks and ensuring we are addressing these. After controls, all risks are deemed low, due to our extensive experience, deep commitment, and consistent efforts in mitigating modern slavery risks.

Future Direction

In the impending reporting period, MG/B will further expand on their voluntary transparency initiatives by developing and making publicly available a code of conduct for future suppliers, to ensure the standards employed by Fairtrade suppliers are recognized and reflected in our own standards. Although we communicate these through written methods as part of communication with suppliers, and provide them with expectations of Fairtrade certified companies, we recognise the need to stay ahead of the curve and take ownership of these standards.

We are continuing to explore how we can increase our community partnerships, building on our strong history of partnering with organisations for social good in India. We continue to uplift Indigenous and culturally diverse voices in Australia through our platform and operations, and in the next reporting period will have more exciting news on our business operations and partnerships, including our social good actions.