

culture kings

Introduction

Culture Kings is a premium streetwear brand.

Culture Kings is continuing to understand and reduce the potential risk of modern slavery in its operations and supply chains. Culture Kings has built on the foundational work reported in its first three Modern Slavery Statements and is pleased to report continuing meaningful work done to identify and mitigate modern slavery risks in its supply chains.

Reporting entity (Mandatory Criterion One: Section 16(1)(a)).

This statement is made by CK Holdco Pty. Ltd. (**CK Holdco**) as the principal governing body for and on behalf of:

- the following wholly owned subsidiaries
 - CK Holdco Pty. Ltd. ACN 647 405 169;
 - CK Bidco Pty. Ltd. ACN 647 406 219;
 - Culture Kings Group Pty Ltd ACN 627 007 970;
 - TF Apparel Pty Ltd ACN 140 259 918;
 - TF Intellectual Property Pty Ltd ACN 140 258 742;
 - Culture Kings Pty Ltd ACN 140 242 968;
 - Culture Kings Melbourne Pty Ltd ACN 164 107 608;
 - Culture Kings Perth Pty Ltd ACN 603 930 669;
 - Culture Kings Sydney Pty Ltd ACN 600 222 133;
 - Culture Kings Brisbane Pty Ltd ACN 600 222 517;
 - Culture Kings Gold Coast Pty Ltd ACN 600 222 955;
 - TF IP Investments Pty Ltd ACN 647 448 502; and
- DXXM Life IP Pty Ltd ACN 641 298 320, in which CK Holdco holds 50% of the shares, (together, **Culture Kings** or the **Culture Kings Group**).

The Culture Kings Group employs approximately 562 employees worldwide.





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This statement is made by CK Holdco for the purposes of section 16(2)(a) of the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) in respect of the reporting period **1 January 2023 - 31 December 2023**. This statement has been reviewed and approved by the Board of CK Holdco and is made on behalf of itself and its subsidiaries (being the members of the Culture Kings Group) after consultation with each member entity of the Culture Kings Group.

In this document, unless otherwise apparent from context, references to 'Culture Kings', 'we' or 'us' are to the Culture Kings Group collectively. Unless otherwise stated, a statement herein relates or otherwise pertains to each member entity of the Culture Kings Group individually.

1. About Culture Kings

CK Holdco is the principal governing body of the Culture Kings Group and has its registered office in Brisbane, Australia.

CK Holdco, CK Bidco Pty. Ltd. and Culture Kings Group Pty Ltd do not themselves conduct any business.

TF Apparel Pty Ltd is the main trading entity within the group that recognises the sales from the online and brick and mortar stores. TF Apparel Pty Ltd procures inventory (principally clothing, footwear, headwear and accessories) for sale, markets the product and organises delivery to purchasers. TF Apparel Pty Ltd employs Culture Kings headquarters and warehousing staff based in Australia. Culture Kings Pty Ltd employs the retail store staff in Australia. All Culture Kings Group employees based in Australia are employed under Australian law and in accordance with Australian labour regulations and conditions. Culture Kings NZ Limited employs employees based in New Zealand under New Zealand law and in accordance with New Zealand labour regulations and conditions.

Culture Kings Pty Ltd, Culture Kings Melbourne Pty Ltd, Culture Kings Perth Pty Ltd, Culture Kings Sydney Pty Ltd, Culture Kings Brisbane Pty Ltd, Culture Kings Gold Coast Pty Ltd and Culture Kings NZ Limited are tenant entities for certain of Culture Kings' bricks and mortar stores.

TF IP Investments Pty Ltd is an investment holding entity that holds interests in certain joint venture and licensing arrangements.

TF Intellectual Property Pty Ltd and DXXM Life IP Pty Ltd are intellectual property holding companies.





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2. Describe the structure, operations and supply chains of the reporting entity

Structure.

For the period of this statement, the Culture Kings Group operates seven brick and mortar stores in Australia and one brick and mortar store in New Zealand.

There is also a very active digital store with sales made in the reporting period to customers worldwide but primarily in Australia, New Zealand and the United States of America. Asia continues to be a growing market.

Culture Kings sourced inventory from a number of countries and regions during the reporting period including China, Hong Kong SAR, Australia, India, Italy, Pakistan, Taiwan, and Bangladesh.

Endorsed Third-Party Brands.

Culture Kings is a retailer (principally of clothing, footwear, headwear, watches, jewellery and other accessories) of finished products for a number of large and known brands. Examples include Nike, Adidas and New Era. These parties are known colloquially within Culture Kings as "upstream" suppliers in that they supply Culture Kings with finished products. In this statement, finished products provided by upstream suppliers are referred to as "Endorsed Third-Party Brands".

In-House Brands.

Culture Kings also sells what is referred to in this statement as "In-House Brand" products being principally clothing, footwear, headwear, watches, jewellery and other accessories.

For In-House Brand products, Culture Kings is responsible for designing such products and managing the process of transforming raw textiles and other materials into finished products. This involves Culture Kings engaging with designers, textile companies, manufacturers and logistics providers either directly or occasionally through representatives.

The percentage of total inventory spend (GST exclusive) over the reporting period for In-House Brand suppliers against total inventory spend is 22%.



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Operations.

Culture Kings presently distributes products supplied by 221 suppliers internationally. The international suppliers consist of leading international clothing brands, exclusive and In-House Brand offerings only available through Culture Kings.

The Board of CK Holdco (**Group Board**) is responsible for setting the strategy of the Culture Kings Group and overseeing group governance issues. This includes monitoring compliance of suppliers against Culture Kings' Supplier Code of Conduct that deals with modern slavery risks amongst other things.

The Chief Executive Officer and the Executive Management Team is responsible for delivering the strategic objectives set by the Group Board. This includes day to day compliance and ensuring policies and procedures are adhered to by members of the Culture Kings group and staff.

Supply Chains.

For In-House Brands, Culture Kings engaged textile and manufacturing suppliers across China, Hong Kong, Australia, India, Italy, Pakistan, Taiwan, and Bangladesh during the reporting period.

Culture Kings also sourced products from 166 Endorsed Third-Party Brands suppliers during the reporting period. Most of these Endorsed Third-Party Brands are global brands with international operations. Culture Kings sources products from Endorsed Third-Party Brands through their local Australian operations or distributors. Culture Kings significantly reduced the number of Endorsed Third-Party Brands suppliers during the reporting period to focus on larger local suppliers.

For this reporting period, Culture Kings has continued to focus on the assessment of modern slavery risk of its supply chains. As previously reported, In-House Brand suppliers are ranked according to potential risk by an assessment activity conducted by global market leader in environmental, social and governance, sustainability supply chain services provider, ELEVATE using their 'segmentation' methodology.

We continually monitor and audit our supplier relationships and sourcing arrangements to ensure modern slavery does not exist in our supply chain.





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3. Describe the modern slavery risks in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls

From a general perspective, Culture Kings is aware that the global clothing and textile industry is considered a high area of risk for modern slavery.

This high risk is partly due to the combination of the nature of the work required, and low skill of the labour involved in the manufacture of clothing, footwear, headwear and accessories. This is coupled with the concentration of manufacturers and other participants in the supply chain operating in jurisdictions where worker rights and protections may sometimes be less formalised or enforced than in Australia.

Factors associated within the textile industry that can lead to increased risk modern slavery. These factors include short-term contracts, pressure from purchasing practices such as short product delivery timelines, sub-contracting, migrant workers, and costs of production.

There can also be a lack of visibility in certain overseas markets which carries additional risks.

To help address these risks, we have developed frameworks for engaging with our manufacturers using a robust procurement process with auditing procedures and regular compliance programs.





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4. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes

Focus on In-House Brand supplier risks in supply chains.

Culture Kings remains dedicated to evaluating the risks of modern slavery within its In-House Brand supply chain.

Suppliers of Culture Kings' In-House Brands, encompassing both downstream manufacturers and suppliers of raw materials, are deemed to carry higher risks compared to suppliers of endorsed third-party brands.

The distinction arises because the suppliers of In-House Brands are frequently smaller, privately owned firms in comparison to the suppliers of Endorsed Third-Party Brands. These In-House Brand suppliers might operate within jurisdictions where labour rights and safeguards, including those for subcontractors and home-based workers, may not be as structured or strictly enforced as they are in Australia.

Conversely, Culture Kings' Endorsed Third-Party Brand suppliers are typically well-established, sizable entities with notable standing in the industry. Many of these suppliers are also subject to reporting requirements under the Modern Slavery Act or similar regulatory frameworks in other jurisdictions.

Risk management and mitigation.

Throughout the current reporting period, Culture Kings has persisted in advancing actions aimed at more effectively addressing and mitigating modern slavery risks within its supply chain. Moreover, Culture Kings has undertaken several measures to further comprehend its supplier base and solicit assurances regarding the mitigation of modern slavery risks from its suppliers.

The primary focus of Culture Kings during this reporting period, as in the previous one, has been on establishing a robust foundation for the continual identification, reporting, and management of modern slavery risks.



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Culture Kings has directed its attention particularly towards its significant In-House Brand suppliers situated in overseas jurisdictions, identifying them as the primary risk area. In addressing this, Culture Kings has adopted a graduated or tailored approach, distinguishing between In-House Brand and Endorsed Third-Party Brand suppliers, as well as between high volume and low volume suppliers.

During the reporting period Culture Kings utilised 55 offshore factories that were categorised into low, medium and high volume suppliers. Ongoing auditing and compliance assessments were completed, recorded and assessed that included:

- Terms of Trade;
- Supplier Code of Conduct;
- Factory Certification Audit; and
- Modern Slavery Questionnaire.

All factories during the reporting period had a current Terms of Trade and Supplier Code of Conduct agreement in place addressing modern slavery. A total of 34 supplier factories held current recognised factory audit certificates for modern slavery compliance from organisations including SEDEX and BSCI. Culture Kings continues to work with the remaining factories to gain recognised certifications.

	Completed	%%
Tier 1 Factories - 15	Compliance	
Terms of Trade/Supplier Code of Conduct	15	100%
Factory Audit Reports	10	67%
Completed Modern Slavery Questionnaire	12	80%
Tier 2 Factories - 16		
Terms of Trade/Supplier Code of Conduct	16	100%
Factory Audit Reports	11	69%
Completed Modern Slavery Questionnaire	13	81%
Tier 3 Factories - 24		
Terms of Trade/Supplier Code of Conduct	24	100%
Factory Audit Reports	13	54%
Completed Modern Slavery Questionnaire	15	63%





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Culture Kings continues to recognise the importance of staff training and awareness. During the reporting period, company wide training was conducted through the company portal NAVEX that included topics on ethics, conflicts of interest, human rights, integrity, working with third parties/monitoring and evaluating, anti-bribery and corruption that reinforces the importance of the Culture Kings Code of Conduct and Terms of Trade with our suppliers.

During the 2023 reporting period Culture Kings, whilst continuing to focus on in-house supplier bases, liaised with the 166 Endorsed Third-Party Brand suppliers to assess Modern Slavery compliance and work with vendors to complete this evaluation.

Culture Kings maintains a database containing all supplier factory certifications with automated tracking of expiry and renewal dates. Culture Kings reviews all supplier documentation and has escalation procedures in place in the event of non-compliance with the Terms of Trade, Supplier Code of Conduct or the relevant factory certification. Where non-compliance has occurred, Culture Kings will take remedial / corrective action and terminate the relevant supply arrangements if necessary.

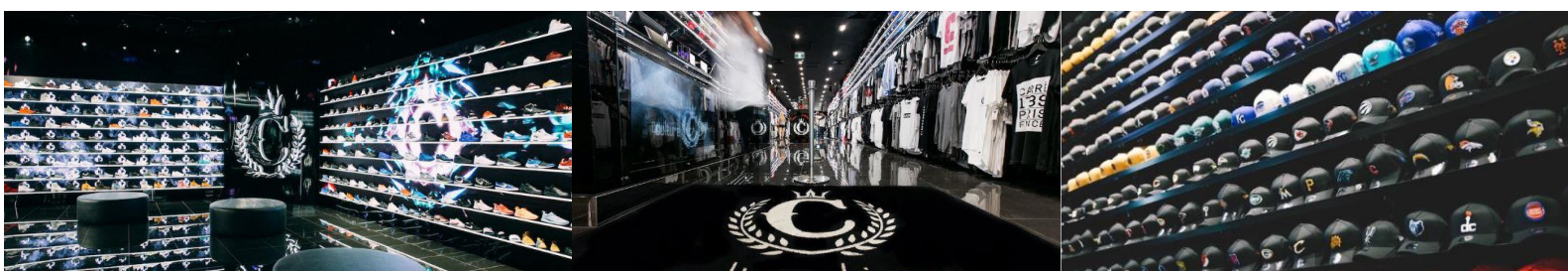
5. Describe how the reporting entity assess the effectiveness of such action

The Group Board has put in place a reporting system to help ensure obligations under the Modern Slavery Act are reported to the Group Board on a periodic basis, to the extent they arise.

The Chief Executive Officer and Executive Team of the Group are accountable for the daily compliance of the Culture Kings Group business (including all operating entities and subsidiary boards) with identifying and mitigating modern slavery risks in its operations and supply chains, and assessing the effectiveness of the Group's risk mitigation initiatives.

Culture Kings undertakes regular reviews of its modern slavery processes, procedures and policies and is committed to improving its practices and mitigating modern slavery risks in its supply chains.

Merchandise, procurement and production team members engage with suppliers regularly to identify and mitigate modern slavery risks and to monitor compliance with Culture Kings' requirements.





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6. Describe the process of consultation with any entities that the reporting entity owns or controls

The preparation of this statement was the subject of substantial cross functional input across the Culture Kings Group. Culture Kings actively engaged and consulted with all of the Culture Kings Group members including liaising with the board of directors, senior leadership members and frontline team members of the Culture Kings Group.

Each director of the Culture Kings Group (noting that most group entities do not have any employees themselves) has been consulted and provided feedback on this statement. All feedback received was taken into account in the preparation of this statement.

Signed by



Ciaran Joseph Long

Director of CK Holdco Pty. Ltd. and responsible member of each entity in the Culture Kings Group

Dated: 18 June 2024

