



Modern Slavery Statement 2024

True Alliance Pty Ltd ACN 098 282 001 is the parent company of:

- True Alliance Corporate Services Pty Ltd ACN 100 525 362;
- True Alliance Brands Pty Ltd ACN 098 979 803;
- True Alliance Retail Pty Ltd ACN 100 526 798;
- Speedo Australia Pty Ltd ACN 050 097 375;
- True Alliance Trading Pty Ltd ACN 002 674 544;
- True Alliance Trading (NZ) Ltd NZ Company No. 384 155; and
- True Alliance NZ Ltd NZ Company No. 384 156;

together, 'True Alliance', 'Company', 'we', 'us' or 'our'.

This joint Modern Slavery Statement is made on behalf of True Alliance in compliance with s14 of the Modern Slavery Act 2018 (Cth) ("**Act**"). It sets out the actions taken by us to identify and address modern slavery risks in our supply chain during the period from 1 July 2023 to 30 June 2024.

Modern slavery covers a set of specific but non-exhaustive legal concepts including forced labour, debt bondage, forced marriage, slavery and slavery-like practices, and human trafficking. It is an umbrella term that focuses attention on commonalities across these legal concepts and situations of exploitation that a person such as threats, violence, coercion, deception or abuse of power to prevent people from refusing or leaving employment.

True Alliance recognises that modern slavery is an ongoing challenge facing the fashion industry. In 2017, the International Labour Organization and Walk Free estimated that, manufacturing, which includes the garment and footwear industry, accounted for 15 per cent of the nearly 25 million people in forced labour in 2016.

The COVID-19 pandemic and subsequent geopolitical and economic climate led to a shift in global supply chains which has necessitated an increased focus on living and working conditions in different jurisdictions. There are ongoing structural effects and impacts that increase modern slavery risk globally. To address a matter of this scale requires commitment and action from both government and business at all tiers of the supply chain.

Encouragingly, there is growing common interest in corporations and directors taking a longer-term view and having more scope to support purposeful initiatives, such as tackling modern slavery, instead of only serving shareholders and focusing on short-term profits.

Our Company, operations and supply chain – including the process of consultation between our subsidiaries

For the purposes of s16(1)(f) of the Act:

- This modern slavery statement is made jointly on behalf of all companies forming part of the broader True Alliance group – relevantly True Alliance Pty Ltd ACN 098 282 001, True Alliance Corporate Services Pty Ltd ACN 100 525 362, True Alliance Brands Pty Ltd ACN 098 979 803, True Alliance Retail Pty Ltd ACN 100 526 798, Speedo Australia Pty Ltd ACN 050 097 375, True Alliance Trading Pty Ltd ACN 002 674 544; True Alliance Trading (NZ) Ltd NZ Company No. 384 155 and True Alliance NZ Ltd NZ Company No. 384 156.
- These entities all have a consolidated management structure – i.e. the officers who review modern slavery compliance do so for, and on behalf of, each of these legal entities. The entities consult with

one another through the mechanism of having the same officers responsible for managing modern slavery risk and compliance.

- There are no further entities than the eight legal entities that make up True Alliance own or control, and therefore no further consultation has been undertaken.

True Alliance is the licensee and distributor of some of the world's best-known fashion, sport and outdoor brands in the Australian and New Zealand markets. All personnel of the Company are employed by a wholly-owned subsidiary, True Alliance Corporate Services Pty Ltd. In the reporting period, we employed approximately 469 team members who are tasked with executing the operations of the Company. Our team members are mostly office-based or working in one of our retail outlets, whilst a small number of staff are based in our warehouse in Sydney.

True Alliance applies a common sense, risk-based approach to modern slavery due diligence and risk management. Whilst we did not complete a formal risk assessment of our operations in the reporting period, we considered various country risk factors and industry risk factors to enable sufficient focus on high impact areas.

We have determined that the risk of modern slavery associated with True Alliance's local operations is low. Our local supply chain covers mainly non-trade suppliers, such as logistic and warehousing, leasing and store development, IT services, marketing, corporate services and retail store operations.

The nature of our business means that our supply chain is complex and multi-tiered with each brand, that True Alliance represents, owning or operating its own distinct international supply chain. It is difficult for us to have clear visibility of where the risks lie across all brands and all tiers. As a small component of each brand's global business (often making up just 4-6% of global sales), our ability to leverage and influence the inventory procurement process is limited. Where brands have common ownership there is however some synergy in the way which we work with suppliers to minimise the risk of modern slavery.

In summary, we work under three models:

- Distribution model: where we purchase branded products which are designed and sourced directly by our brand principals, including The North Face, Speedo and Lacoste. This model comprises the substantial proportion of our trade supplies.
- License model: we design, source and manufacture the majority of the range for our denim vertical. These goods are sourced exclusively from factories approved by the brand principal and are subject to stringent supply chain due diligence processes, such as ongoing audit procedures and remediation processes run collaboratively between supplier, brand principal and True Alliance.
- Hybrid model: for some brands, we operate a hybrid model where we sell product purchased off catalogue, as well as products designed in-house and produced by approved nominated suppliers, for sale specifically in Australia and New Zealand. The impact of the COVID-19 pandemic has meant a continued shift away from this model back towards a traditional distribution model which has reduced our direct involvement with many suppliers. By volume, Speedo is the best example of that shift within our business.

We have seen a stabilisation in the shift in the source of production of the goods we purchase. In the reporting period, 47% of the production occurred in China (equal to last year). Vietnam remained our second largest source of supply but grew to 14.5% of the overall mix (compared to 13% last year).

True Alliance does not own any of the factories from which our products are sourced. We have only approximately 11 direct relationships with factories which are all subject to approval and audit by our brand principals. All other inventory is sourced via our brand principals or sourcing agents. Whilst the countries identified above have a heightened risk of modern slavery practices, our brands work with many long-term trusted partners within regimented control frameworks to manage modern slavery risk.

Risks of Modern Slavery

Our trade procurement predominantly consists of final-product apparel, footwear and accessories. True Alliance is conscious that these categories have a heightened risk of various forms of modern slavery, such as child labour and forced labour. The recent shifts in source of production and conditions imposed naturally and by government have further exacerbated the labour intensity. That said, whilst suppliers from certain parts of the world are considered by True Alliance to be higher risk, our audit processes have been developed to account for these suppliers.

Most of the suppliers generally have long-term relationships with our tier 1 suppliers, as well as their subcontractors, with a good understanding of their own supply chains and established due diligence and remediation processes in place. Whether the supplier is new or a long-term partner, alongside our brand principals, we seek to apply similar onerous audit and compliance processes before engaging with them.

During the reporting period this formed the focus of our efforts and will continue to do so in the future, as there is where we can have the biggest positive impact.

We are conscious of the risk of modern slavery existing beyond our tier 1 suppliers, being those suppliers of raw materials and other article component such as zips and button. Whilst we have no direct relationship to influence these suppliers directly, we do liaise with our Brand Principals on these matters.

Actions undertaken

Consistent with True Alliance's core values, we have continued to implement our Modern Slavery Policy, Supplier Code of Conduct and rigorous audit and remediation processes. Through the ongoing review and questioning of our Brand Principals' and suppliers' modern slavery statements, or policies as well as our ongoing involvement in audit and remediation processes implemented alongside the brands (where relevant), we have satisfied ourselves that our key suppliers have met our requirements, including any remediation requirements, in order to continue their supply of goods to True Alliance.

Further to this, we continue to engage directly with our customers who are building out their own modern slavery processes. Feedback from customers is communicated to our brand principals in order to drive continual improvement.

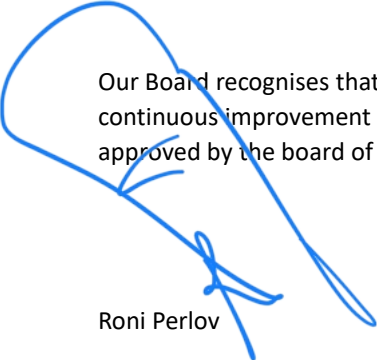
We continue to negotiate clauses which place obligations on our suppliers to continuously improve their own modern slavery records and due diligence on their supply chains by adequately implementing their own modern slavery policies.

True Alliance intends to engage with external consultants as part of a broad and regular review of our policies and procedures relating to appropriate workplace behaviour, and compliance with relevant laws and regulations including those relating to discrimination, bribery, corruption, harassment and matters related and adjacent to modern slavery. This will shift the focus to the protection and welfare of our local labour resources which are a critical part of our supply chain.

Effectiveness of our actions

True Alliance and its brands and agents have continued to enforce the high standards required of existing and new partners to improve conditions in supplier factories to meet our minimum standards via the completion of regular audits and remediation processes. There were no material incidents that were required to be reported to our board in the reporting period.

Finally, our compliance and contract management team continued to work with key suppliers to include clauses relating to modern slavery compliance and continual improvement.



Our Board recognises that modern slavery is an unacceptable issue and that we must be committed to continuous improvement in identifying and addressing modern slavery in the supply chain. This statement was approved by the board of directors of True Alliance.

Roni Perlov

Chief Executive Officer

