

Modern Slavery Statement

Quiksilver Australia Pty Ltd

Quiksilver Australia Pty Ltd (**'the Company'**) (ABN: 20 091 136 195) makes this statement on behalf of all Australian reporting entities including its wholly owned subsidiaries Ug Manufacturing Co Pty Ltd and GSM Operations Pty Ltd which are under common ownership and control of the Company. The Company's registered office and principal place of business is 5 Billabong Place, Burleigh Waters, Queensland, Australia.

This statement is the Company's third (3rd) modern Slavery Statement ("**Statement**") covering the financial year period between 1 November 2022 to 31 October 2023 ("**Reporting Period**"). During the Reporting Period the Company has continued to maintain existing processes and make progress in relation to identifying, assessing, and address modern slavery risks across our operations and supply chain.

During the Reporting Period the Company and the underlying Australia and New Zealand business was acquired by a new owner, Authentic Brands Group ("**ABG**"). The ownership of the Company during the Reporting Period was therefore divided into two parts as follows:

- (I) **Boardriders Group Ownership:** For the period between 1 November 2022 to 1 September 2023 the Company was a wholly owned subsidiary of Boardriders, Inc, a Delaware, USA registered company with its principal place of business in California USA ("**Boardriders**") ("**Boardriders Ownership Period**"), and
- (II) **Authentic Brands Group Ownership:** From 1 September 2023 onwards, the Company was owned by ABG ("**ABG Ownership Period**"). The acquisition was undertaken through an Agreement and Plan of Merger, whereby Boardriders merged into a subsidiary of ABG. Following completion of the merger the Company became a wholly owned subsidiary of ABG. ABG is a USA registered company with its principal place of business in New York, USA.

The operation of the Company itself largely remained consistent with previous reporting periods and despite the ownership change. More information relating to each ownership period is outlined in the "Structure and operation" section of this Statement.

This statement has been prepared in consultation with key stakeholders within the business at various stages of the Reporting Period, is made in accordance with the *Modern Slavery Act (Cth) 2018* ("**the Act**") and outlines the actions taken by the Company to identify, assess, and address modern slavery risks across our operations and supply chain ("**Statement**").

Structure and operation

(i) **Boardriders Ownership Period**

During the Boardriders Ownership Period, Boardriders Inc, was the parent of a group of global companies (**'the Boardriders Group'**) which included the Company. The Boardriders Group employed over 4,000 people worldwide and operated in approximately 90 countries. The Boardriders Group designed, developed and distributed an extensive range of branded clothing, footwear, accessories and other products under the Quiksilver, Billabong, Roxy, DC Shoes, RVCA, Element and Von Zipper brands whose images and names are closely associated with boardriding sports and lifestyle.

(ii) **ABG Ownership Period**

As previously noted, the acquisition of the Company, and its brands, on 1 September 2023 by ABG resulted in Boardriders being merged into a subsidiary of ABG. ABG is a global brand development, marketing and entertainment company. ABG is known for acquiring and managing a diverse portfolio of iconic consumer brands across various industries, including sports, fashion, entertainment, and lifestyle and its portfolio includes brands such as Reebok, Nautica, Prince and Volcom. The ABG business model is traditionally a brand licensing company, in which it appoints operators around the world to distribute its products in nominated territories.

(iii) **The Company**

The Company and its Australian subsidiaries, design and procure products which are then supplied through established retail, wholesale and ecommerce channels. In Australia, the Company and its subsidiaries have over 1500 employees, and operate over one hundred and forty (140) mono branded or multi-branded stores and over nine (9) website platforms. Of those employees, approximately 80% are retail staff. The remaining staff perform corporate functions, provide store or sales support, or work in our major warehouse.

The Group reiterates its commitment to operating responsibly and in compliance with all laws. Prior to the Australian legislative requirement to prepare a modern slavery statement, the Group had existing policies and practices to address some modern slavery issues within the Group's global supply chain. In addition, the Group supported a modern slavery statement in compliance with the United Kingdom's *Modern Slavery Act* and complied with its obligations under the *California Transparency in Supply Chains Act*. The Company acknowledges its obligation to identify and manage modern slavery risks in Australia and this statement outlines our progress to date.

Despite the ownership change during the Reporting Period, the distribution channels and day-to-day operations of the Company largely remained unchanged. For the first part of the Reporting Year, there was a key focus on the sale of the business to ABG, with the back end of the reporting Year focused to the integration of the global business with ABG. As this Statement has been prepared in the months after the end of the Reporting Year, the Company acknowledges the Company has again been sold in December 2023 to a partner of ABG, Liberated Brands Group, who operates as a licensed distributor of ABG brands. For this reason, the Company anticipates the next Reporting Year to be significant in that its business model will have changed, resulting in new considerations around modern slavery and modern slavery compliance.

Company consultation and governance framework

Pursuant of section 16(1)(f) of the Act, the Company is required to describe the process of consultation with any entities that the Company owns or controls. As at the end of the Reporting Period, the Company is the parent entity for sixteen (16) entities which are registered in and operate within Australia and New Zealand ("the ANZ Group").

Again, the ANZ Group has largely remained unchanged from the previous reporting period. The Company, as parent, is the only entity which meets the reporting threshold requirement under the Act and the ANZ Group operates under and shares the same common management and central governance model. Therefore, all entities within the ANZ Group are controlled and managed through the Company (and the wider Group), including management decisions around issues such as modern slavery. In light of this governance framework, the decisions of the Company are effectively the decisions of the ANZ Group, so consultation is not needed between the Company and the ANZ Group – as it is essentially one in the same management and central governance model.

In terms of consultation involving individual stakeholders within the Company, the Company continues to have and improve its ongoing ANZ MS Committee meetings (discussed further below), comprising of various relevant Company key management personnel with the purpose of discussing modern slavery issues and modern slavery risk mitigation within the ANZ Group.

Supply chain

During the Reporting Period the Company's operations and supply chain structure has remained consistent with the previous reporting periods.

In this respect, the Company's primary operations are retailing (though bricks and mortar stores and ecommerce) and wholesaling finished products. All finished products are acquired from specialist third party manufacturers or suppliers.

The Company also acquires a range of goods and services from suppliers other than finished products to support its business. Set out below are the key types of finished products and other goods and services most commonly acquired by the Company.

Finished goods	Detail
Boardriders 'home' brands	Finished products designed using Group owned brands and sourced directly from specialist third party manufacturers. For example, Quiksilver boardshorts or Roxy wetsuits.
Third party brands	Finished products sourced from third party suppliers such as surf hardware or other products that are sold in Company operated retail stores. For example, Adidas footwear or Go Pro cameras.

Goods and services acquired, other than finished goods

Goods and services type	Detail
Freight and storage	Freight and storage services used to transport and store finished products and other goods and services.
Employees and contractors	The Company has a range of employment and contract positions in order to support its business.
Licensees	Store and wholesale licensees.

Leasing	Retail office and warehouse leasing.
Store fitout	Company store fitouts and building out wholesale account in store brand areas.
Information technology	Third party hardware, software & ecommerce related services.
Advertising & marketing	Advertising and marketing services including digital and print.
Corporate services	Professional services & banking.
Operations	General operational requirements such as electricity, cleaning, repairs and maintenance and business consumables.

Modern slavery risks and supply chain action

Outlined below are risks of modern slavery that may be present in the Company's categories of procurement, the level of risk identified through risk assessment and the relative prioritisation of these categories for further work.

Finished goods for resupply	Identified risks	Priority and action
Boardriders 'home' brands	<p>The Company recognises inherent risks of modern slavery in the footwear and apparel sectors. These include risks associated with labour standards for farming and processing certain commodities such as cotton and for manufacturing and procurement of footwear and apparel generally.</p> <p>In order to address these types of issues, the Group has a long standing commitment to conducting its business in an ethical and legal manner. In 2004 the Group developed a compliance manual entitled 'Boardriders Ethical Standards of Trade' (BEST) (formerly 'Quiksilver Ethical Standards of Trade' (QUEST)) which covers social responsibility, compliance and sustainability that apply to the Group's licensees, vendors and factories around the world. In particular, the manual includes a 'supplier workplace code of conduct' which requires all suppliers to act ethically and reasonably in all respects, to meet their legal obligations as employers to their employees and workers, and to do their best to ensure that no abusive, exploitative or illegal conditions exist at their workplaces or at factories where Boardriders' products are produced.</p> <p>Annually, we evaluate all of our direct manufacturing suppliers to verify that they are not at risk for violating anti-slavery and human trafficking laws. Our in-house BEST team spearheads that verification process, using an internally developed assessment tool. This tool helps us to categorize suppliers using a grading matrix system aligned to each clause of Boardriders' Supplier Workplace Code of Conduct. This is a risk-profiling process in order to grade suppliers and alert management if a violation is detected, so that immediate action can be taken including termination with the supplier to protect the supply chain. The Group also rely on input from our independent factory auditors, particularly in jurisdictions where there is a higher risk of modern slavery, to assess these risks and vulnerabilities. In addition, the Group BEST team conducts ongoing employee and management training specifically covering mitigating risks of human trafficking and slavery within the Group's supply chain.</p> <p>All Group home brand suppliers are audited prior to engagement by Boardriders Group. If a supplier is not in a high risk country (as defined by World Bank's Worldwide Governance Indicators) and can provide evidence of an audit conducted by an accredited independent company, the Group may waive a separate audit requirement depending on the content of the audit. The Group monitors supplier behaviour and compliance with BEST, notably every year in high risk countries through an independent external</p>	<p>High – continue to ensure all home brand suppliers have agreed to the BEST terms and take steps to ensure ongoing audit of compliance with those terms. Extra attention is required to assess new short term suppliers that are engaged by the Company. For example, if finished goods need to be produced by a supplier not typically used by the Company or the Group due to supply or other circumstances, then appropriate diligence must be completed on the new supplier before making the appointment.</p>

Finished goods for resupply	Identified risks	Priority and action
	<p>contractor who carries out unannounced audits and also by ongoing monitoring. Unless suppliers meet these requirements, they cannot obtain an “active” status with Boardriders Group.</p> <p>The manual has been periodically updated with a goal to help educate the Group’s supplier’s about ethical principles and to work towards continuous improvement in this area.</p>	
Third party brands	<p>The Company generally has greater insight and influence over finished goods manufactured and procured of its home brands than it does for the third party brands it acquires. The third party brands the Company supplies are commonly global organisations and the sales made by those organisations to the Company make up only a small proportion of those organisations overall sales and in many of those relationships, the Company only has a limited level of insight into the supply chains of those organisations. Because the Company supplies a greater proportion of home brand products than it does third party brands, it has historically prioritised reducing modern slavery risk associated with its home brand products.</p> <p>Over the course of the Reporting Period, the Company has elevated reducing modern slavery risk associated with its procurement of finished goods from third party brands as well as other goods and services acquired.</p>	High – continue to seek agreement from third party suppliers to commit to modern slavery compliance.

Other goods and services	Identified risks	Priority and action
Freight and storage	Modern slavery risks associated with freight, warehousing and distribution activities can arise from the use of labour hire services which have been linked to deceptive recruitment and forced labour of vulnerable populations, including migrant and low-skilled workers.	Medium – ongoing monitoring and scrutiny of activities of existing freight and storage suppliers. For example, if finished goods need to be air freighted by a new supplier when they are typically transported via sea then appropriate diligence must be completed on the new supplier before making the appointment.
Employees and contractors	<p>The Company is required to comply with the employment and industrial relations laws of Australia. The majority of staff that work in our stores are employed under employment Awards. The Company maintains robust policies and procedures that govern corporate and employee behaviour including audit processes.</p> <p>The Company also engages a variety of contractors in various capacities including in its warehouse. The Company has a less comprehensive level of insight into modern slavery compliance with those individual contractors and the labour hire services.</p>	Medium – adherence to policies and procedures to ensure all employees and contractors are afforded protection from modern slavery. Attention is required to review the terms and commitments of contractors and contractor firms.
Licensees	<p>The Company has a less comprehensive level of insight into modern slavery compliance with licencees than it does with its own supply chain.</p> <p>The BEST policies outlined above apply to licensees.</p>	Medium - adherence to policies and procedures to ensure all licensees are compliant.
Leasing	In the past, terms of a lease do not typically cover modern slavery, however recently, the Company has started to see major landlords include modern slavery requirements and obligations in lease documentation. There are also aspects of some landlord services	Low – ancillary services are a by-product of a lease and further due diligence to assess risk is required.

Other goods and services	Identified risks	Priority and action
	provided to the Company under a lease such as cleaning, repairs and maintenance that may carry modern slavery risk.	
Store fitout	Modern slavery risks exist associated with store fitouts. Factors including the working conditions of those producing store fixtures and fittings and the frequent use of migrant or lower-skilled labour to install store fitouts.	Low – store fitouts are managed by third party fitout specialists in Australia. Further due diligence to assess risk associated with fitout sourcing and subcontractor fitout installation teams is required.
Information technology	Limited risks were identified in IT services provided by Australian-based suppliers but the Company and the Group also procure IT services from outside Australia. The Company does not have a comprehensive level of insight into modern slavery compliance of IT service providers providing services to the Company from outside of Australia.	Low - The Company has a large team of Australian based IT specialist employees and also employees under global shared IT functions. Further due diligence to assess modern slavery risk associated with IT services provided from outside Australia is required.
Advertising & marketing	A major part of the advertising and marketing functions are handled in-house. Limited risks were identified as the Company uses primarily Australian based third party service providers.	Low –Further due diligence to assess modern slavery risk associated with advertising and marketing services provided from outside Australia is required.
Corporate services	A major part of the corporate services functions is handled in-house. Limited risks were identified as the Company uses primarily Australian based third party service providers.	Low - Further due diligence to assess modern slavery risk associated with corporate services provided from outside Australia is required.
Operations	A major part of the operations is handled in-house. Possible risks of modern slavery associated with migrant and vulnerable workers in cleaning services.	Low – Further due diligence to assess modern slavery risk associated with operations provided within Australia and outside Australia are required.

Challenges During the Reporting Period

Throughout the Reporting Period there were two major challenges which the Company encountered, including:

- (i) *Change of Ownership from Boardriders to ABG*

The primary challenge for the Company, was during the change of ownership period, not least to reduce any potential risks in relation to exacerbating modern slavery risks within the Company's supply chains (or potential new supply chains). Given the eventual outcome of the transaction, the Company has continued to rely on its existing processes, including BEST and Boardriders' Supplier Workplace Code of Conduct, as well as the Group's global regional team's expertise in those regions to ensure that such suppliers remain in compliance with modern slavery obligations.

Actions undertaken during Reporting Period

Modern slavery risks present a challenging and complex range of issues. The Company has some relatively mature and robust measures to combat modern slavery in high priority and high impact areas of its business but acknowledges more work can be done in those areas and in areas that have been identified in this statement as lower priority. The Company is committed to continuous improvement in relation to modern slavery risk management and has reported on progress achieved during the current reporting period. Further ongoing monitoring, engagement with stakeholders on this topic and improvement action will enable the Company to evaluate the effectiveness of action.

The actions undertaken by the Company during the Reporting Period to identify, assess, and address modern slavery risks across our operations and supply chain include:

Action	Further Detail
<i>ANZ MS Committee</i>	The Company has established the ANZ MS Committee comprising of key management personnel within the Company. The purpose of the ANZ MS Committee is, amongst other things, to meet bi-annually to: <ul style="list-style-type: none"> (i) discuss matters relating to modern slavery; (ii) investigate ways to further develop the Company's modern slavery processes and procedures; (iii) address any reported or suspected instances of modern slavery within the business (if any) and consider appropriate courses of action to resolve such incidences; and (iv) discuss matters relating to training for employees to comply with the Company's modern slavery commitments.
<i>Review of existing material contracts</i>	The Company periodically reviews its material distribution and supply contracts to ensure matters associated with modern slavery are addressed. The Company legal team has also undertaken a review of existing supply contracts to ensure adequate contractual mechanisms are in place to deal with modern slavery risks under such arrangements.
<i>Consultation with other Group regions on modern slavery</i>	The Company continues to have consultations with its other global business units in the Europe and the America's regions to ensure global coordination across the Group on matters relating to modern slavery obligations as they apply in different regions. It is the Company's belief that this global co-ordination is key to ensure consistency across the Group and the sharing of pertinent information and experiences will help to mitigate modern slavery risks within the Group.
<i>Inclusion of Modern Slavery requirements into material agreements</i>	Similar to last Reporting Period, the Company continued to negotiate 'modern slavery' provisions into material contracts. These clauses seek to obtain comfort from contracting parties about modern slavery compliance. The Company has also considered and negotiated modern slavery surveys and contractual terms proposed by its contracting counter parties.
<i>Reviewing existing sourcing practices and BEST</i>	The Company, along with the wider Group, continued to be involved with reviewing existing sourcing practices and BEST procedures to ensure that the approach to continually improve and mitigate any modern slavery risk associated with the Company.
<i>Reviewing online materials and how other reporting entities are dealing with Modern Slavery</i>	The Company worked on reviewing various online Modern Slavery resources and what other reporting entities have been doing in terms of modern slavery reporting. The purpose of this process is to determine if there are any other possible modern slavery risk mitigation measures, which can also be adopted by the Company.

The Company acknowledges there is further work to be done to address the issue of modern slavery. Nonetheless the Company is pleased to advise that there have been no reported or suspected instances of modern slavery within its supply chains for the Reporting Period.

Additionally, should a potential modern slavery risk present itself following an audit of a supplier or, if for instance, a supplier was not meeting the Company's BEST standards, depending on the circumstances, that supplier would be required to implement a Corrective Action Plan ("**CAP**"). The BEST team works with suppliers throughout the assessment process and factory management is educated and assisted on any non-compliance issue encountered during an applicable audit. If the Company does not see appropriate progress by a supplier in resolving non-compliance issues in the CAP, the Company may terminate the business relationship with the supplier.

Approval

This statement was approved by the *principal governing body* of the Company as defined by the *Modern Slavery Act 2018 (Cth)* ("**Act**") on 30 April 2024. This statement is signed, by a responsible member of the Company, as defined by the Act, Gregory Healy (Director) on 30 April 2024:



 Gregory Healy
 Director of Quiksilver Australia Pty Ltd