



ALQUEMIE GROUP

MODERN SLAVERY STATEMENT

2023

1 Alquemie Group and Our Modern Slavery Statement

Statement

Alquemie Group Holdings Pty Ltd (the “Group”) (ABN 55 637 401 104) is a retail and consumer brands investment and growth platform partnering with compelling brands in Australia and New Zealand. Registered at 11 Bowden Street Alexandria.

This statement has been made in accordance with the Modern Slavery Act 2018 (Cth) (“Modern Slavery Act” or the “Act”). This is the Group’s first statement under the Modern Slavery Act, and the sections that follow reflect the criteria required under the Act. This statement is made on behalf of the Group including subsidiaries listed below.

The statement has been reviewed and approved by the Board of Alquemie Group Holdings Pty Ltd (the “Board”). Unless otherwise indicated, all information below is for the first reporting period of 1 July 2022 to 30 June 2023

Intent

We are committed to conducting business with the highest standards of ethics when dealing with our employees, clients, customers, and suppliers. Our Statement is an account of how we deliver on that commitment. We fully support the United Nations Guiding Principles on Business and Human Rights. We do not tolerate modern slavery within our operations or supply chain. We expect our suppliers and business partners to respect human rights, including labour rights, in all aspects of their working practices.

2 Our business

Our structure

We are a retail and consumer brands investment and growth platform. The Group is managed by ACTA Capital, a private equity firm specialising in retail and consumer investments and growth capital across industries.

A complete list of the Group’s subsidiaries is provided below.

- Alquemie LCS Pty Ltd
- Alquemie LCS NZ Limited
- Alquemie Lifestyle Apparel Pty Ltd
- SurfStitch Pty Ltd
- General Pants Group Ltd
- ARG Ginger & Smart Pty Ltd
- Pumpkin Patch Kids Pty Ltd
- Alquemie Brands Pty Ltd
- Alquemie Retail Holdco Pty Ltd
- Alquemie Retail Operations Pty Ltd

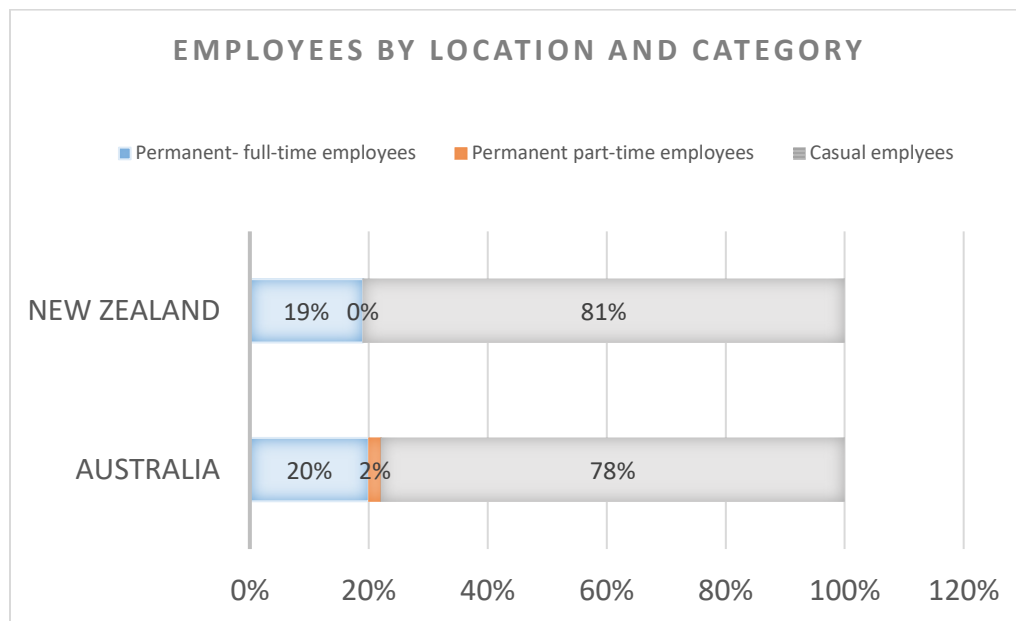
Each subsidiary is headed by a Managing Director or General Manager that reports directly to the Group CEO. The Board is responsible for defining the overarching Group-level strategy, with individual subsidiaries responsible for executing their growth strategies. Subsidiaries utilise the

benefits of a Group Shared Services Finance function to improve efficiency and visibility of performance.

Our operations

Our operations include retail, marketing, and distribution of apparel, sports equipment and LEGO through both brick-and-mortar stores and e-commerce. Our retail portfolio includes SurfStitch, a market leading e-Commerce retailer of casual wear and surf-related hardware; Ginger & Smart, a designer, distributor, and retailer of high-end women’s ready to wear and accessories; and Pumpkin Patch, a well-recognized kids’ wear brand: General Pants Group, one of Australia’s largest and most respected youth fashion retailers, We are also licensed to operate LEGO Certified Stores (LCS) in Australia and New Zealand.

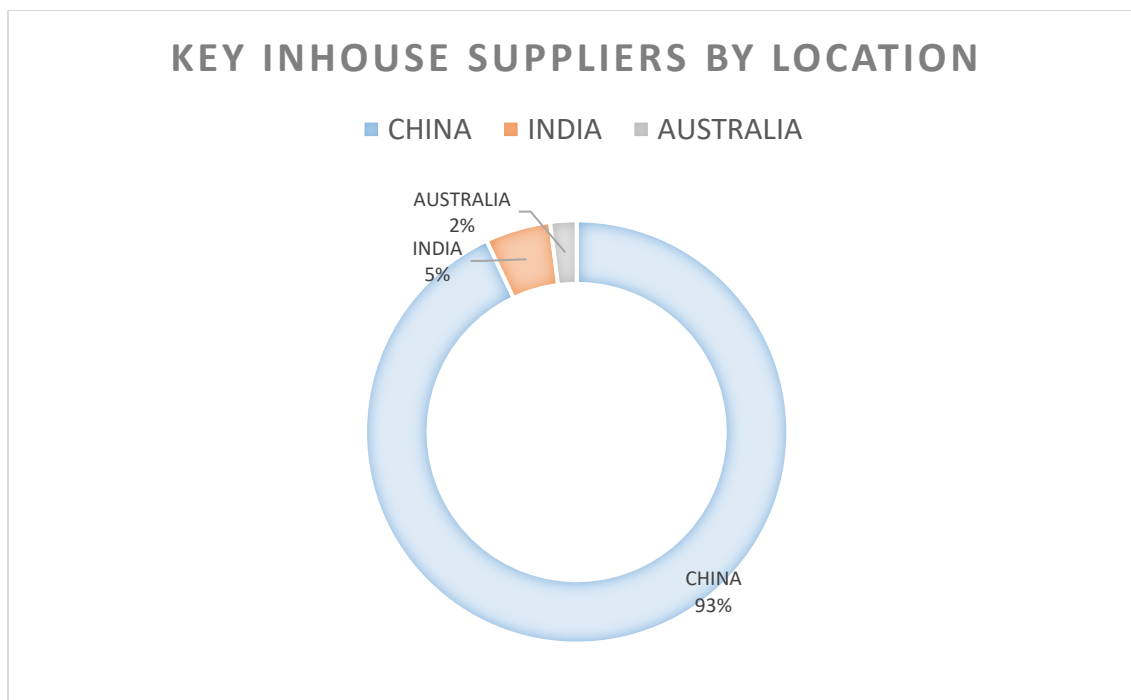
Headquartered in Sydney, Australia, we have two Head Offices and currently operate 10 Ginger & Smart stores, 22 Lego Stores, 62 General Pants Stores and 2 distribution center. Approximately 95% of our operations are within Australia, and 37% of our revenue is generated online. As of December 2023, we have 1358 employees, 93% of which are based in Australia with a further 7% are employed in New Zealand.



Our supply chain

Our international supply chain consists of approximately 82 suppliers. The use of ‘Suppliers’ within the Statement encompasses all suppliers of goods or services, including every factory, subcontractor, agent, or affiliate that manufactures or finishes products for retail on the Group’s platform or from whom the Group procures goods and services for its own operational use. The key product categories we source include apparel, accessories, and sporting equipment.

We have sixteen in-house apparel brands. For these brands, we source from 82 suppliers, who are predominantly located in China, with others located in Australia, & India



We retail products from approximately 268 third party brands, although the number fluctuates throughout the year due to seasonality. The third-party brands that we retail consist of those such as Quiksilver, Billabong and Vans which have their own sourcing due diligence processes in place, as well as boutique brands, whose due diligence processes may be potentially less mature. As our responsible sourcing program develops, we will look for ways to engage with our third-party brands on their management of modern slavery risks.

3 Identifying modern slavery risks

Certain groups are at higher risk of modern slavery, including women, migrant workers, contract and agency workers, marginalised groups and seasonal or temporary workers. We look for the presence of these groups of workers in our operations and supply chain to incorporate these risks into our due diligence processes.

Our operations

Our operations primarily involve retail and e-commerce in Australia and New Zealand. The nature of our business and the locations of our operations have lower intrinsic risks of modern slavery. The Group's 1358 employees are employed directly without the use of any outsourcing and are under contracts governed by Australian and New Zealand employment laws. Risks of forced labour are further reduced through the onboarding process at each of our wholly owned subsidiaries. All new hires are required to provide official identification including proof of age, mitigating the risk of employing underage staff, and taxpayer identification information that guarantees employees are legally allowed to work.

LEGO products are manufactured and processed by suppliers that must meet The LEGO Group Responsible Business Principles which relate to ethics, people, and the environment.

Our supply chain

We are aware of the potential of risks of forced labour and child labour in our global apparel supply chain. Some of our key sourcing locations, including China and India, can be associated with elevated risks. We are at the initial stage of supply chain risk assessment and have not mapped our suppliers beyond the first tier. This will form the focus area of our supplier management program going forward.

Higher levels of risk are related to the raw materials used due to the high labour intensity and low skilled nature of work involved in production and processing. We also source leather goods.

We recognise that despite sourcing similar goods for inhouse brands as we do our third-party brands, the human rights risks in each supply chain might differ and thus should be managed differently. For direct suppliers for our in-house brands, we require them to complete a modern slavery self-assessment questionnaire (SAQ) to evaluate and monitor their modern slavery risk exposure and management. Suppliers are also required to comply with Supplier Code of Conduct, which contains requirements on modern slavery.

Well-recognised global third-party brands that we source are typically more mature in their own responsible sourcing programs providing confidence that due diligence processes are in place that help to mitigate labour risks. In addition, larger brands provide public disclosure on their modern slavery risk exposure, and how they mitigate and manage these risks. For the smaller brands we source, we have limited visibility into their social compliance and labour rights management. In 2024, we will review our list of brands with a view to reducing our exposure to potential risks in our supply chains, and work with brands that we partner with to have robust systems in place.

4 Our policies and processes

4.1 Our operations

Policies and training

Our Code of Conduct outlines requirements for ethical behaviour and safe working conditions and applies to any place where work is carried out on behalf of the Group. New employees are provided with definitions of key concepts and our expectations regarding victimisation, harassment including sexual harassment, and non-discrimination. All employees are required to review and acknowledge our Code of Conduct, Grievance Policy and Whistleblower Policy (see Grievance mechanism below).

Operating in line with the Code of Conduct ensures compliance with Australian and New Zealand's workplace legislative framework including employment, human rights and anti-discrimination legislation, such as, but not limited to; Australian state and federal human rights and anti-discrimination legislation, the Fair Work Act 2009 Australia, the Employee Relations Act 2000, and Amendment Acts, Human Rights Act 1993 and Harassment Act 1997 New Zealand and New Zealand and Australia's Work, Health & Safety laws.

Grievance mechanism and remediation

Establishing effective grievance mechanisms can provide critical information on human rights and modern slavery risks that can feed into our due diligence processes.

The Alquemie Group Whistleblower Policy currently relates to general business activities and tax affairs and applies to all Alquemie employees, contractors, and sub-contractors. It is the responsibility of the Board to ensure that all employees receive training on the policy during induction, and to ensure eligible disclosures are investigated. At this time, our Whistleblower Policy is made available to those within the Group.

Through internal engagement and process review we have identified the need to revise our Whistleblower Policy and/or provide additional grievance channels that are easily accessible to external stakeholders. In 2024, we will be undertaking a formal review of the possible mechanisms we can deploy, with a view to establishing an improved approach.

Speak up

Individuals can report malpractice to the Group's officers or human resources, to any supervisor or direct report, or to an available auditor. Individuals can also email (whistleblower@alquemiegroupp.com) to make a report confidentially.

4.2 Our supply chain

Policies

Our Supplier Code of Conduct (SCoC) outlines expectations of our direct suppliers for inhouse brands on labour and human rights. It includes our expectations that they have policies, processes, and personnel in place to ensure standards our met. The SCoC was developed with reference to the Ethical Trading Initiative (ETI) Base Code which is in turn founded on the conventions of the International Labour Organisation. Suppliers agree to the SCoC as a mandatory condition of business. A copy of the SCoC must be accessibly displayed in local language in each workplace and factory and workers must be informed verbally and in writing of its provisions.

Suppliers are required to comply with all relevant local and national laws and regulations, including, but not limited to, applicable immigration and labour laws relating to foreign and migrant workers. Through our SCoC we reserve the right to request that suppliers provide details (such as name and position description) of any workers employed by the supplier, including subcontractors.

Our SCoC asks that all suppliers take reasonable steps to eliminate exploitation of workers, deceptive practices, child labour or forced labour in their operations and in the business operations of their supply chain partners. With regard to cotton, we require suppliers to avoid sourcing Turkmenistan cotton or Uzbek cotton, or materials made with cotton from these countries, due to higher risks of forced labour and child labour in these countries.

Due diligence

All new suppliers must complete a self-assessment form and QIMA audit which requires disclosure on existing Ethical Trading Initiative (ETI) assessments, and how the supplier is managing indicators of forced labour. Based on the level of confidence in the information shared, any disclosure gaps identified, or issues raised in response, suppliers may be asked to provide clarification or further information before the Group enters into a business relationship. Examples of instances that would warrant further investigation include incomplete or inadequate responses on topics such as migrant workers or forced labour.

We continually look for ways to improve our supply chain due diligence processes and have included development in this area as part of the Group's five-year plan. Our subsequent Modern Slavery Statements will outline the steps we have taken since the publication of this statement and our future plans.

An [Ethical Trading Initiative \(ETI\)](#) audit assesses a company's processes, suppliers, and facilities against the nine principles of the ETI Base Code, as well as ensuring compliance with relevant national and international legislation. Meeting ETI standards instills confidence that a supplier operates in a fair and ethical manner.

5 Effectiveness

As we continue to grow, our operations and supply chain will expand & as such we will evolve & continually review our processes to ensure we are able to identify and address potential labour risks and that the rights of workers are protected.

6 Our Consultation with Group entities

The Board has overall accountability for overseeing all areas of business risk, including modern slavery, at the Group level. Identified risks are socialised through direct communications with the General Managers, the CEO, and at Board meetings. These risks are communicated through our annual Modern Slavery Statement which is circulated with management at each of our subsidiaries to provide input and verify the contents before final approval by the Board.

7 Regulatory Disclosure Matrix

This statement was prepared to meet our regulatory disclosure requirements for the Australian Modern Slavery Act 2018 (Cth). The table below references where the mandatory criteria are disclosed.

Mandatory criteria	Disclosure reference
Criterion 1: Identify the reporting entity	Page 2
Criterion 2: Describe the structure, operations, and supply chains of the reporting entity	Page 2
Criterion 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Page 4 & 5
Criterion 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	Page 5 & 6
Criterion 5: Describe how the reporting entity assesses the effectiveness of such actions	Page 7
Criterion 6: Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Page 7

Signing page

This statement was approved by the Board of Alquemie Group Pty Ltd on 28 August 2024 on behalf of all Alquemie Group subsidiaries.

Signed



Dated: 28/08/24