



Brand Collective QLC Holdings Pty Ltd

2023 Modern Slavery Statement

For Financial Year Ending 30 June 2023



CONTENTS

1.	Introduction	3
2.	Brand Collective's Business and Supply Chain	3
3.	Identifying Risks	4
4.	Actions Taken, Risk Mitigation and Remediation	5
5.	Effectiveness	9
6.	FY2024	11
7.	Group Wide Consultation	11
8.	Approval	11

1. Introduction

Brand Collective QLC Holdings Pty Ltd ACN 650 815 446 (**Brand Collective or Company**), being the reporting entity for the purposes of the Modern Slavery Act 2018 (Cth) (**MSA**), has a policy of not tolerating any form of modern slavery in its supply chain, including servitude, human trafficking and forced labour.

This statement sets out Brand Collective's continuing commitment to ensure modern slavery does not take place in any part of its business. The statement outlines the steps Brand Collective is taking to ensure compliance with the MSA.

This statement applies to Brand Collective's financial year ending 30 June 2023.

The terms "Supplier" and "Factory" will be used interchangeably throughout.

2. Brand Collective's Business and Supply Chain

Brand Collective, one of Australia's largest fashion retailers, is a private company which formed in 2022 year after the merger of the entities associated with Brand Collective Holdings Pty Ltd and The PAS Group Pty Ltd, imports, wholesales and retails, and engages third party manufacturers for the manufacture, of women's, men's and children's footwear and apparel (**Business**).

Brand Collective owns a portfolio of iconic Australian brands including Black Pepper, Breakaway, Elka Collective, Grosby, Julius Marlow, Marco Polo Review, Volley and Yarra Trail has exclusive licences for leading international brands including Clarks, Everlast, Hush Puppies, Lonsdale, Mossimo, Reebok, Replay, Slazenger and Superdry.

The Business is privately owned by Queens Lane Capital, who purchased the business from Anchorage Capital Partners in August 2021. Prior to that, the business was owned by Anchorage Capital Partners from December 2014 and prior to that, operated within the Pacific Brands Limited (now Hanes Australasia Limited) structure for many years.

The Business is based in Melbourne, Victoria, with its head office located at Building 8, Level 1, 658 Church Street, Richmond, Victoria, 3121, distribution centres located in Truganina, Victoria and a Sydney office located in Alexandria, New South Wales. The Business also operates China sourcing offices in Dongguan under the "Registered Office" Chinese Foreign Enterprise Human Resource Service Co (**FESCO**) model and Shanghai (incorporated entity model).

Brand Collective's primary trading subsidiary entities are:

- Yarra Trail International Pty Ltd (which operates the Yarra Trail business);
- Shoes & Sox Holdings Pty Ltd (which operates the Shoes & Sox business, one of Australia's largest kids shoe businesses);
- Shoe Warehouse Pty Ltd (which operates the Shoe Warehouse retail stores and ecommerce business);
- Designworks International Pty Ltd (the wholesale arm of Brand Collective responsible for development and distribution of private label and licensed sports and character brands across apparel, footwear, accessories, homewares and sports equipment);

- Black Pepper Brands Pty Ltd (which operates the Brand Pepper apparel business)
- PAS International Brands Pty Ltd (which holds the licence to the Reebok brand in Australia and New Zealand); and
- Review Australia Pty Ltd (which operates the Review brand).

The Business employs over 3,000 full time equivalent staff. Its operations consist of:

- selling footwear and apparel offering through Company branded retail and online stores as well as a combination of leading department stores, discount department store chains and SME wholesale accounts. There are currently circa 350 retail and concession stores across Australia and New Zealand as well as over 12 ecommerce stores; and
- sourcing the relevant materials and product through its overseas supply chain, with the majority of its suppliers located in China, India, Bangladesh, Vietnam, Thailand, Indonesia, Brazil and Spain.

The Business has developed longstanding and stable working relationships with each of its suppliers and their factories and has developed an extensive on boarding process to vet and monitor its suppliers.

The Business adopts a continuous improvement model, backed up by independent auditing of its suppliers, to ensure that the factories in which its products are manufactured are safe for all workers, fair, sustainable and importantly free of modern slavery.

The Business acknowledges its responsibility to ensure that its supply chain is both ethical and sustainable. One way to ensure this by taking part in Baptist World Aid's Ethical Fashion Report and submit to their rigorous auditing of its supply chain and processes.

3. Identifying Risks

Risks of modern slavery in global supply chains are dynamic, complex and often covered up. The Business is constantly reviewing how it may cause, contribute to, or be directly linked to modern slavery practices. Of particular concern to the Business is identifying instances of forced labour and child labour as well as diminished labour rights of people working in its overseas supply chains.

The Business undertakes the following processes to identify modern slavery risks:

- two well-resourced China sourcing offices (which undertakes factory inspections, organised and random factory audits and manages outsourced third-party factory audits);
- engagement of external auditing entities;
- participation in Baptist World Aid's Ethical Fashion Report review process (see Section 4 for detailed explanation of process);
- periodic direct questionnaires to both supplier owners and workers; and

In addition, across the footwear division, the Business has implemented the 'BC Voice – Grievance Mechanism' process hosted on the WeChat™ platform providing supplier workers with a direct communication to the Business.

With the experience of operating its supply chain over for a number of years and through the implementation of the above processes and the improvements stemming from those processes, the Business has identified the following risks to its supply chain that, if not managed, may cause or contribute to modern slavery practices in the Business's operations and supply chain:

- maintaining traceability of the entire supply chain including the raw materials needed to support the Brand Collective business;
- expanding on the above risk, managing suppliers in farming and/or rural areas that employ temporary, seasonal and/or migrant labour;
- ensuring the Business has access to all necessary information from its suppliers to assess their modern slavery compliance. This relies on both:
 - mutually beneficial relationships formed with all its suppliers; and
 - regular and fit for purpose auditing practices;
- sourcing products from countries which have a high prevalence of modern slavery and/or labour rights violations, other human rights violations and/or child labour (as reported by international organisations and/or relevant NGOs), which is managed by the Business;
- the Business setting unreasonable delivery timeframes that result in suppliers:
 - forcing excessive working hours on their workforce;
 - pursuing cost savings through unlawful wages conditions; or
 - temporarily flexing up workforce size beyond factory capacity;
- maintaining the Business's FESCO China sourcing office and resulting employment contracts (through FESCO) with its Chinese national staff.

4. Actions Taken, Risk Mitigation and Remediation

Auditing, strong policies, contracts, monitoring, and worker engagement are the Business's key program controls to manage potential or actual risks of modern slavery in its operations and supply chain.

Audit Programme

Through the Business's audit program (both by its China sourcing office staff and outsourced third-party), and resulting corrective action plans, as well as NGO engagement, the Business has identified the high-risk areas of its supply chain and implement steps to mitigate risk in those areas. Audits are undertaken by its Chinese national staff and industry leading third-party audit providers. Chinese national staff who manage its audits have accredited SA8000®:2014 Basic Auditor Training.

One high risk area that the Business's audit program has worked on, in partnership with a number of its suppliers, is to ensure its suppliers adopt fair working hours. Any overtime

hours must be undertaken freely by workers, who are to be paid in accordance with local labour laws. Another area is to ensure that all suppliers meet ethical business standards.

Supplier Dialogue and Training

The Business maintains a strong two-way dialogue with its supply partners. It holds supplier conferences from time to time and provide them with Corporate Social Responsibility training, in conjunction with its third-party auditors.

Additionally, the Business arranges for its preferred third-party face-to-face training providers to hold education sessions with its suppliers, especially on corporate social responsibility. Also, its personnel attends NGO webinars with suppliers, including recent sessions on COVID-19 factory dealings. The Business also maintains a confidential in-country whistleblower platform, known as BC Voice platform.

Engagement with Baptist World Aid

The Business has participated in Baptist World Aid's (**BWA**) Australian Ethical Consumer Report since 2017. The report focuses on the Business' labour rights and environmental policies. Every second year, the Business undergoes a strenuous review of its commitment to the following five key categories via interviews, questionnaires and surveys prepared by BWA:

1. Policies and Governance;
2. Tracing and Risk;
3. Supplier Relationships and Human Rights Monitoring;
4. Worker Empowerment; and
5. Environmental Sustainability.

The Business has integrated BWA's assessment into its annual audit programme. The BWA assessment provides a sharp focus for the Business and BWA's requirement for continuous improvement in labour relations compliments the Business's drive to continuously improve the conditions of its supplier's workers who work in its supply chain and ensure that no modern slavery practices exist.

The Business participated in the BWA Australian Ethical Consumer Report in 2023 and will again participate in BWA's 2024 Ethical Fashion Report focusing on our footwear businesses, which consistently shows that continuous improvement is being made in the areas of Worker Empowerment & Environment Sustainability year on year since Brand Collective's first involvement in the Ethical Fashion Report.

Policies

The Business has a comprehensive set of policies and procedures that articulate its values, methods and ways of working and expectations of its team and suppliers, that are reviewed regularly. This policy framework ensures that its team members and suppliers clearly understand its expectations, and equally that they can recognise when they are being treated in a way that is inconsistent with these expectations and understand how to raise a grievance or complaint. The following policies are those that are most relevant to preventing modern slavery among the Business's team members and workers in its supply chain.

Policy/Procedure – Operations	Purpose
Code of Conduct	<ul style="list-style-type: none"> • Sets out how the Business expects each team member to behave towards each other, its customers and the broader community
Fraud & Corruption	<ul style="list-style-type: none"> • Outlines the Business's commitment to complying with laws and regulation addressing fraud, bribery and corruption in each country in which it conducts business
Respect in the Workplace Policy	<ul style="list-style-type: none"> • Articulates expectations regarding team member behaviours at work, when representing its businesses or when interacting with team members outside of work
Whistle Blower Policy	<ul style="list-style-type: none"> • An anonymous reporting channel for team members, their family and others to raise concerns
Supplier and Manufacturer Code of Conduct	<ul style="list-style-type: none"> • Sets out how the Business engages with suppliers of its goods and service to ensure that basic labour and human rights are met, environmental impacts are managed, and the Business behaves ethically. The Supplier and Manufacturer Code of Conduct is reproduced in full at the end of this Statement.
Supplier Grievance Policy Guidelines	<ul style="list-style-type: none"> • These guidelines require all facilities used in the production of the Business's products to have a written Grievance Policy & Procedure to ensure that everyone engaged in the production of its products should be treated fairly and with dignity and respect
Sourcing Gender Equality Policy	<ul style="list-style-type: none"> • Outlines the Business's commitment to challenge the gender inequality and sex discrimination faced by workers throughout its supply chain
Responsible Purchasing	<ul style="list-style-type: none"> • Outlines its commitment to

Practices Policy

implementing responsible purchasing practices throughout its Business and external supply chain.

Child Labour Remediation Policy

- Outlines its commitment to eradicating the existence of child labour from its supply chain.

Strengthening Supplier Contracts

One of the main ways in which the Business articulates its human rights expectations and controls the potential risk of modern slavery arising in its supply chain is through the businesses' contracting process with direct suppliers. Building on existing responsible sourcing provisions, modern slavery specific provisions have been incorporated in its non-trade procurement contracts and vendor trading terms. The Business's onboarding document suite includes:

- Service Level Agreements for Supply of Products, which includes its Vendor Trading terms (there are separate SLA's for agents and suppliers);
- Supplier and Manufacture Code of Conduct;
- Quality and Procedures Manual – separately for both Footwear and Apparel;
- Banned Chemicals Regulatory Requirements; and
- Supplier Packaging Manual – separately for both Footwear and Apparel.

Importantly, the Business requires all suppliers which it engages with, as well as all downstream third- party suppliers (including component manufacturers, tanneries, and farms), to sign and return its Supplier and Manufacturer Code of Conduct (reproduced in full at the end of this Statement) before receiving their first order.

Similarly, its Purchase Order terms and conditions and Vendor Trading terms require suppliers to comply with the requirements under its Responsible Purchasing Practices Policy.

The Business will continue to review contracts across other business arrangements to streamline modern slavery provisions in standard contracts to ensure its management framework is consistent across the Business. The Business recognises the importance of building greater understanding of modern slavery risks and its requirements with the team members who are responsible for supplier relationships and oversight, so that they are equipped to provide guidance to its partners to comply with its expectations.

Monitoring Brand Collective's Supply Chain

Before engaging a new supplier, the Business conducts extensive due diligence checks. Only suppliers on the list may be used for any stage of production. The due diligence checks include suppliers completing initial self-audit technical assessments, assessing whether a factory is suitable to the Business's needs and a factory code of conduct assessment, which includes a review of working conditions and building safety. The Business then reviews the technical assessments, and determines whether further investigation is required, either by requesting a current valid factory audit from the relevant factory or arranging its own independent audit. In addition, and as set out in its

Supplier and Manufacturer Code of Conduct, the Business requires all existing suppliers to confirm that:

- There is no inconsistency with the Business’s Code in any area of a supplier’s operations, including subcontractors
- All employees are paid at least the national minimum wage in line with local labour laws/regulations applicable within their country of operation
- The Business may terminate the contract at any time should any instances of modern slavery or any other zero tolerance breach of any human rights issues come to light.

The Business conducts internal training of its buying and sourcing teams to ensure they have a clear understanding of the Business’s expectations for ethical sourcing. In addition, the Business includes training on understanding the signs of modern slavery and what to do if an employee suspects any form of modern slavery is taking place within the supply chain.

In 2020, the Business also partnered with BWA to participate in their Special Edition Ethical Fashion Report, which required the Business to commit to and demonstrate actions to maintain the following six fashion commitments which was deemed would make the greatest difference to garment workers:

1. Supporting workers’ wages by honouring supplier commitments;
2. Identifying and supporting the workers at greatest risk;
3. Listening to the voices and experience of workers;
4. Ensuring workers’ rights and safety were respected;
5. Collaborating with others to protect vulnerable workers; and
6. Building back better for workers and the world.

The Business was graded favourably against the six fashion commitments. Since 2020, the Business has continued to monitor these commitments to ensure continuous improvement for those intimately involved in the Business’ supply chain.

5. Effectiveness

The Business is working to understand the effectiveness and impact of the initiatives detailed in this Statement and its broader human rights program. Currently, the Business tracks its performance through a combination of internal and external mechanisms, and it uses these mechanisms to assess the performance of each activity undertaken.

The Business has integrated the outputs and, in some instances, the outcomes of key activities throughout this Statement using many of the following measures:

Area	Activity	Measurement
Risk Management	<ul style="list-style-type: none"> • Annual risk assessments • Supplier onboarding and risk segmentation 	<ul style="list-style-type: none"> • % of risk assessments undertaken by country and product

- Identifying trends from risk data
- % of assessments for tier one and tier two suppliers against plan

Monitoring	<ul style="list-style-type: none"> • Third-party audits • In-house audits • Supplier self-assessment questionnaire • Supplier corrective action plans • Survey Monkey questionnaire • BC Voice • Site visits 	<ul style="list-style-type: none"> • % of audits completed in line with plan • Audit grading – zero tolerance, critical • Number of worker engagements • Number of site visits • Number of suppliers suspended or ceased trade
-------------------	---	---

Grievance mechanisms	<ul style="list-style-type: none"> • Channels and mechanisms for grievances to be raised • Cases remediated • Identifying trends from grievance data and a root cause analysis of key issues raised • BC Voice • Anonymous Survey Monkey questionnaire 	<ul style="list-style-type: none"> • Total number of issues raised • Channels through which issues were raised • Number of cases remediated • Remedy for workers • Complaint box responses
-----------------------------	---	---

Governance	<ul style="list-style-type: none"> • Board oversight • Team member training • Policy reviews • Contracts with modern slavery provisions • External benchmarks 	<ul style="list-style-type: none"> • Maturity assessments of processes and protocols • % of team trained • Completed policy reviews in line with plan • % of contracts with modern slavery or responsible sourcing commitments
-------------------	--	--

6. Group Wide Consultation

We consult and collaborate with key functions, brands and business units across the Brand Collective group of companies, at all times engaging in a coordinated approach to addressing, mitigating and minimising modern slavery risks across the Brand Collective group of companies. The development of the modern slavery statement was led by the Sourcing and Compliance Team which liaised with the various business units and key functions in line with Brand Collective's collaborative and consultative philosophy.

This statement was developed through an extensive and thorough consultation process that included engagement with the owners of Brand Collective, the suppliers to Brand Collective, brand managers, sources and the executive leadership team of Brand Collective, each owned and controlled entity and each brand which forms part of Brand Collective.

7. FY2024

Brand Collective continues its commitment to identifying and remedying modern slavery risks in its supply chain and operations. It continues with its plan for continuous improvement in all aspects of its supply chain.

8. Approval

This statement has been approved by the Board of Brand Collective QLC Holdings Pty Ltd for each entity it owns or controls.



David Thomas

CHIEF EXECUTIVE OFFICER

December 2023

SUPPLIER AND MANUFACTURER CODE OF CONDUCT

Introduction

Brand Collective is a leading manager of some of the most recognized footwear and apparel brands in Australia including Review, Designworks, Shoes & Sox, Reebok, Superdry, Everlast, Replay, Clarks, Hush Puppies, Black Pepper, Yarratrail, Elka Collective, Lonsdale, Slazenger, Volley, Umbro, Zoo York, Shoe Warehouse, Mossimo, Iconix, Grosby, Mooks, Julius Marlow, Final Days, Marco Polo, Breakaway, & Canada Goose.

In line with our objective to remain a supplier of choice it has become paramount to choose, acknowledge, promote, and develop our suppliers so that there is alignment with our expectations of ethical behavior. Our intent is to engage with suppliers of our goods and services to ensure that basic labor and human rights are met, environmental impacts are managed, and we behave ethically.

Our Suppliers as Partners

We acknowledge that suppliers are integral to our value chain. We reward suppliers that deliver high quality products on time, in full and to agreed specification, workmanship and price as well as recognising those that undertake continuous improvement programs to optimize these outcomes. We will also favor and support suppliers that attain our social compliance standards.

Traceability of labor

Our suppliers must employ a system that allows traceability of labour and human rights compliance (including worker's wages and conditions) throughout their manufacturing process including third party input supplier's country of origin. We must be able to monitor your system on reasonable notice.

Ethical Business Practice

In managing our suppliers, we endeavor to act

professionally and ethically, and we expect our suppliers and manufacturers to:

- Abide by all local legal requirements and not engage in any form of corruption or fraud.
- notify Brand Collective as soon as any form of conflict of interest becomes apparent.
- not offer unreasonable gifts when engaging with our employees in order to receive benefits.

Labour and Human Rights

We expect our suppliers and manufacturers to ensure that:

- Employment is freely chosen with supplier's and manufacturer's employees provided with a written legal contract properly negotiated. This includes ensuring the right to freedom for employees to enter and leave employment willingly and voluntarily through the prohibition of withholding employee identity documents.
- Freedom of association and the right to collective bargaining are respected.
- Working conditions are safe and hygienic.
- Employees are aged 16 or older – underage labor is NOT used.
- Wages are paid in full at regular intervals in accordance with local Government obligations.
- Elimination of discrimination with respect to employment and occupation This includes the prohibition of regular and excessive overtime, ensuring working hours should not exceed 60 hours in any 7-day period and ensuring regular working hours are not more than 48 hours per week (which should be included in any employment contract).
- No discrimination is practiced based on gender, race, religion, age, disability, sexual orientation, marital or pregnancy status.
- Regular employment is provided.
- No harsh or inhumane treatment is allowed.
- Suppliers must not assign or sub-contract in part or whole any manufacturing process without the written consent of Brand Collective.

Environment impact management

We value the natural environment and acknowledge the benefits responsible environmental management delivers our employees, customers, suppliers,

shareholders, and the broader community. Our Environmental Policy communicates our commitment to ensuring a sustainable environment through active management of the inputs and outputs of our processes.

We seek to partner with suppliers and manufacturers who:

- meet legal obligations in relation to environmental performance.
- establish objectives, targets, and key performance indicators to improve their environmental performance.
- maintain management systems to plan, document, monitor and review their environmental performance.
- identify and assess and manage the environmental hazards which arise from their activities, products and services.

David Thomas

Chief Executive Officer

Brand Collective Pty Ltd

Version 6.2 – December 2023

PLEASE ENSURE THAT THIS CODE OF CONDUCT IS PROVIDED TO ALL DOWN STREAM 3rd PARTY SUPPLIERS (INCLUDING COMPONENT MANUFACTURERS, TANNERIES AND FARMS) AND THAT BOTH YOU AND THEY SIGN BELOW TO ACKNOWLEDGE HAVING RECEIVED AND SIGNED

Please sign here.

Factory (Final Stage Production)

Accepted by _____
(Name) Signature:

On behalf of: _____
(Company) Date: _____

Company Seal

On behalf of: _____
(Company) Date: _____

Company Seal

Raw Materials Production / Farm

Accepted by _____
(Name) Signature:

On behalf of: _____
(Company) Date: _____

Company Seal

Component Manufacturer and/or Tannery

Accepted by _____
(Name) Signature:
