

GOING PLACES SINCE 1927

STRAND
MODERN SLAVERY STATEMENT
FY23

STRAND

MODERN SLAVERY

This is Strand's third Modern Slavery Statement in accordance with the Modern Slavery Act 2018 (Cth) and covers the reporting period to the 28th of February 2023.

As part of our long-term commitment, we understand there are potential modern slavery risks in our business, and the accessories industry more broadly and are committed to continuously improve and strengthen our response to modern slavery issues.

This Modern Slavery Statement was prepared by the Strand sourcing and risk teams approved by the Strand Group Board of Directors on 11 October 2023.

Signed by



Greg Hayim Director

12/10/2023





Our structure

Strandbags Holdings (ACN 128 842 482) is a privately owned company and is a reporting entity under the Modern Slavery Act 2018 (Cth).

Strand owns Antler Brands, which is a UK based company which is not a mandatory reporting entity.

Our operations

Since our 2021 Modern Slavery Statement, there has been no significant changes to our operations

Strand is a leading retailer of suitcases and bags with retail operations in Australia and New Zealand and a global brand presence through Antler.

Strand operates out of our head office in Pyrmont in Sydney with a support office for Antler in London. Our warehouse operations are based our warehouse in Western Sydney and using third party logistics providers in UK and Mexico.

We have over 260 Strand stores across Australia and New Zealand.

As a group, Strand directly employs over 2000 employees in our head office, stores and warehouse. Our operations includes the use of indirect workers contracted by third parties and includes the use of labour hire in our warehouse, store fit outs and cleaning services.

Our business

Strand does not manufacture our products directly but engages with a range of suppliers and manufacturers for goods sold across our businesses.

Products are designed in our Head Offices in Sydney and London and are then manufactured in five countries across the world with a number of third-party brands sourced directly from our suppliers.

We also engage in “non-trade” procurement of goods and services to support our operations.

Key non-trade goods and services includes:

- Leasing of offices, stores and warehouse
- Logistics, including freight and distribution
- Information Technology software and equipment
- Marketing
- Instore fixtures and fittings
- Packaging

Risks of Modern Slavery in our business

We do not consider our overall modern slavery risk profile to have materially changed from the previous reporting period. Key risk and response areas remain largely consistent, reflective of our core business activities in the global retail industry.

Strand has not identified or received any reports of actual or suspected modern slavery within our supply chain or operations within the reporting period. However, we recognise that an absence of reporting does not reduce the overall risk of modern slavery and or ongoing responsibility.

Due to the nature of our business operations, we recognise that we are at a higher risk of being exposed to modern slavery, on account of our operations in the accessories industry and because of the location of our major suppliers in China and India.

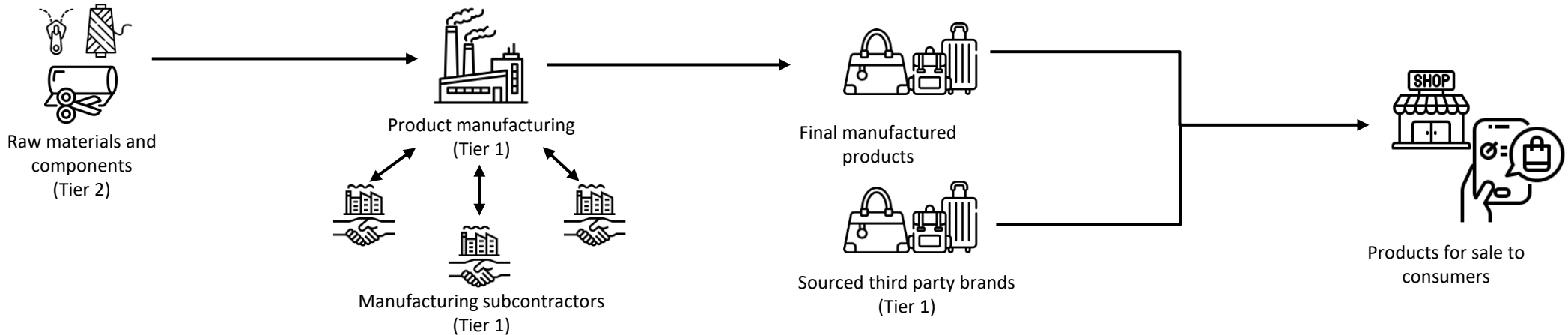
Strand has continued to identify and assess the areas in which there is a heightened risk of modern slavery occurring in our supply chains during the reporting period. This assessment has been made based on our overall spend in these categories, potential linkages to vulnerable workforces, connection to high-risk inputs and potential supply chain manufacturing in high-risk countries



Risks of modern slavery in our supply chain

Our supply chain covers all the steps involved in the manufacturing and production of the items we sell, including all the raw materials and components that go into an item, such as cotton linings, zippers, wheels, leathers and other fabrics. We have fully mapped our direct suppliers, and acknowledge we have further work to do to understand and assess the modern slavery risks in the expanded supply chain of components and raw materials (Tier 2).

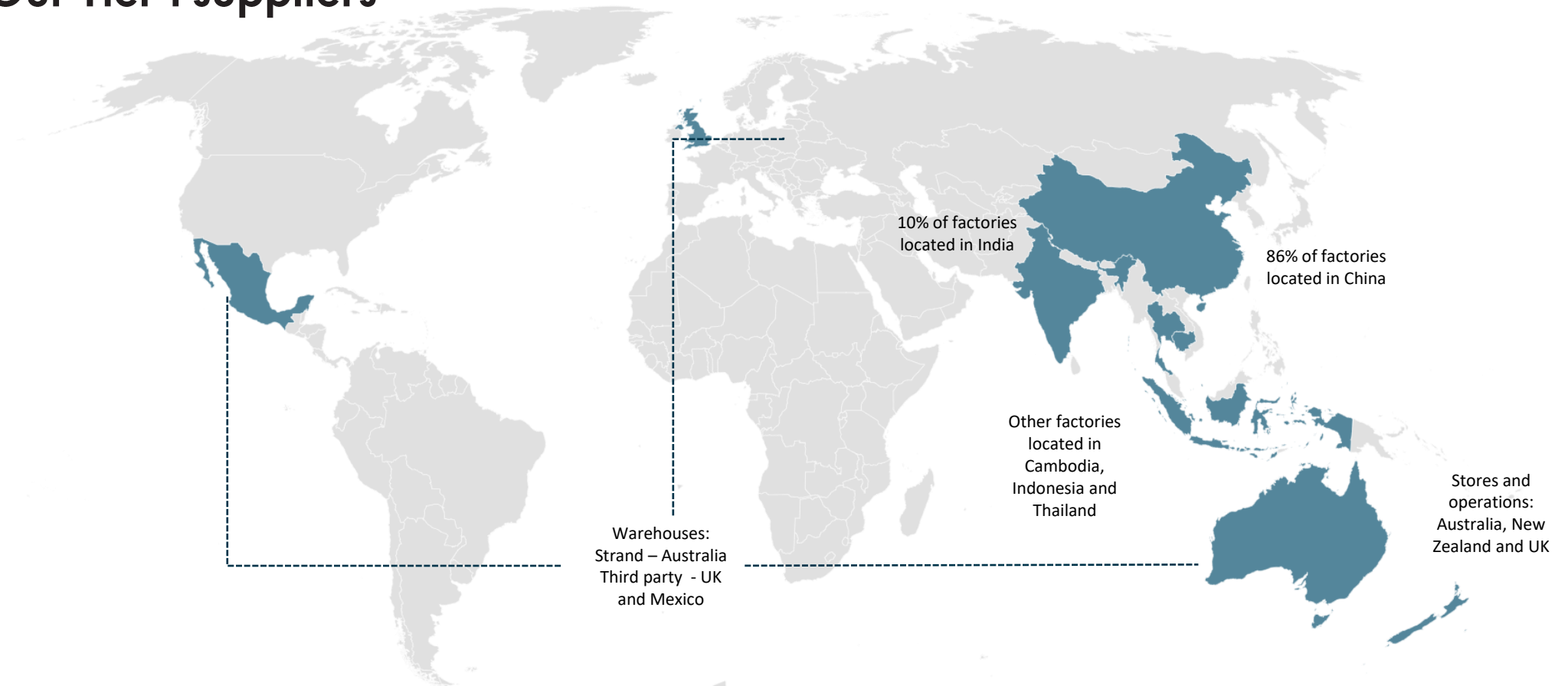
Strand also purchases finished goods for sale, however due to the level of insight and influence we hold over these suppliers we have elected to prioritise establishing modern slavery risk due diligence practices for our direct manufacturing suppliers.



Supply Chain Segment	Inherent risk	Description	Modern slavery risk factors	Priority for action
Product manufacturing	High	A factory which cuts, sews, or manufactures products which are available for sale by Strand	Child labour, debt bondage, forced and migrant labour servitude and deceptive recruitment	High – continued due diligence for the next 12 months
Raw materials and components	High	The suppliers of both raw materials (such as cotton or leather) and materials that go into finished goods (such as zippers and wheels)	Child labour, debt bondage, forced and migrant labour servitude and deceptive recruitment	High – partnering with suppliers to map our supply chain
Manufacturing subcontractors	High	Where the factory (our supplier) sends work to other third parties to complete, such as cutting, sewing or re-work	The critical risk for Strandbags is a current lack of transparency of our extended supply chain, which we are working towards addressing	High – partnering with suppliers to map our supply chain
Sourced third party brands	High	Suppliers where we purchase finished products which are available for sale by Strand	Child labour, debt bondage, forced and migrant labour servitude and deceptive recruitment	Low – commence due diligence over next 12 months

STRAND

Our Tier 1 suppliers



At the time printing this report, Strand currently source from 47 factories located across 5 countries, broken down as follows:

China: Strand sources the majority of our product from 41 factories in China. The vast majority are located in the east coast provinces. No product is manufactured in the Xinjiang province of China.

India: Strand sources from 3 factories, these are all located in Kolkata. We work with these factories primarily in producing our leather products.

The remaining factories are located in Cambodia, Indonesia and Thailand.

These suppliers may own the factory that makes the finished goods, or they may outsource to factories pre-approved by Strand. We are aware there is a risk our tier 1 suppliers may subcontract work without Strand's authorisation.

STRAND

Our Tier 2 & 3 Suppliers

While our primary relationships are with our Tier 1 suppliers, we acknowledge there we have a critical reliance on the suppliers who supply our suppliers (Tier 2 and Tier 3).

At this point we do not know our full supply chain beyond tier 1, we acknowledge that we have a direct relationship through our suppliers to each part in the complex production and supply of our products.

We recognise the importance of supply chain traceability, and this is an active priority for our business.

As a part of our membership of the Supplier Ethical Data Exchange (SEDEX), we will be able to access more information about our suppliers and their supply chain. When a company registers with SEDEX, their audit results are typically shared with multiple SEDEX members, meaning that Strand can build a more comprehensive view of our suppliers without duplicating effort or cost.

Additionally, Strand are committed to use more sustainable materials from both an ethical and an environmental perspective. We have partnered with the Leather Working Group, who are a global not-for-profit organisation dedicated to enhancing environmental and social responsibility throughout the leather and leather manufacturing value chain.



Risks of modern slavery in our operations

Since our first modern slavery statement, our primary focus has been on identifying, assessing and addressing modern slavery risks associated with our direct manufacturing suppliers in China and India, Strand also understands that modern slavery risks are not limited to offshore manufacturing activities and supply chains. We recognise that modern slavery is a reality in Australia, New Zealand and other countries we operate in , and the significant areas of potential risk include commercial cleaning and building maintenance services.

Supply Chain Segment	Inherent risk	Description	Modern slavery risk factors	Priority for action
Logistics and warehousing	Low to moderate	Freight and warehousing services used to transport purchased goods to warehouses, store goods prior to sale and transport sold goods to customers.	Frequent use of migrant or lower-skilled labour, use of subcontractor and labour hire companies and debt bondage	Low - perform further assessment of risks before planning due diligence
Leasing and store development	Moderate	Leasing of retail stores from landlords as well as store design and fit out.	Frequent use of migrant or lower-skilled labour, use of subcontractor and labour hire companies and debt bondage	
Corporate services	Low	Professional services, corporate office operational services, employee recruitment, and banking.	Limited inherent risk factors identified	
Store operations	Low to moderate	Store operations such as electricity, cleaning, security and repairs and maintenance, and store consumables	Frequent use of migrant or lower-skilled labour, use of subcontractor and labour hire companies and debt bondage, particularly in use of cleaning services	
Marketing	Low	Advertising and marketing services and products, including printing	Limited inherent risk factors identified	
IT Services	Low	IT hardware and software used in retail stores and websites, and in retail support services.	Limited inherent risk factors identified	

STRAND

Actions to address our modern slavery risks

We continue to assess the effectiveness of our actions to mitigate and remediate risks of modern slavery in our supply chain and operations so they can evolve and adapt to new challenges and information.

Governance

Strand has established a functional and regional modern slavery working group which meets on a regular basis.

It is primarily responsible for ensuring that key actions and future priorities identified in our modern slavery statements are undertaken and completed. The establishment of our working group also ensures that responsibility for all key actions identified in our modern slavery statements are shared across all key business functions.

The overall risk environment in relation to modern slavery is reported to our Audit and Risk Committee on a regular basis

Maturing our sourcing approach

To make a greater impact and deliver more positive change for workers within our global supply chain, we needed to enhance our sourcing capabilities.

Based on a review of our operating model, an expanded sourcing department was created, with a Head of Sourcing based in our Sydney head office responsible for management and oversight of our end-to-end sourcing processes and supplier programs. A core part of this evolution was joining SEDEX which has enabled the Group to move to a common set of tools and standards that enables collaboration with suppliers and to streamline the sharing of data.

Social audit program

We take pride in our strong relationships with our supply base and value honesty and transparency in our association.

We will not accept exploitation or mistreatment of any type within our supply base and require suppliers' full commitment to our ethical sourcing values and policies. All Tier 1 factories are usually audited annually. Audits must address compliance with the industry standards such as BSCI/SMETA, which are based on the ETI Base Code, International Labour Organisation (ILO) conventions and the United Nations Declaration on Human Rights), all relevant laws and include criteria such as working hours, wages, freedom of association, subcontracting, freely chosen employment and health and safety.

Site visits

As a result of COVID-19 travel restrictions, our Sourcing Teams were limited in the number of site visits they could perform. Restrictions were lifted in January 2023, with 10% of sites visited in the reporting period. In fiscal year 2024 to date, 41% of our factories have been visited by Strand Sourcing teams.



Assessing the effectiveness of our actions

Although we have matured our due diligence procedures throughout the reporting period, we acknowledge we are still in the early stages. Assessing the effectiveness of our actions is a key step in ensuring the progress we are making is having the intended effect.

We have undertaken the following steps in determining the effectiveness of our actions

	Activity	Measure
Governance	Board oversight (via Audit & Risk Committee)	Annual presentation
	Policy Review	Ongoing
Monitoring	Third party audits	Number of audits conducted
	Supplier Corrective Action Plans	Number of plans in place and time to implement
	Site visits	Number of site visits
Grievance Mechanisms	Mechanism for grievances to be raised	Total number of issues raised and resolved

Future actions

As encouraged by the Act, Strand has adopted a continuous improvement approach to modern slavery risk management. We recognise that addressing modern slavery risks is a challenging and complex process and are committed to improving our approach over time. We will continue to identify opportunities to mature our approach and to collaborate with other organisations in our industry moving forward.

Our planned activities in the next 2 years are:

- Formally setting expectations with our suppliers - we will launch our Supplier Code of Conduct and update our terms of trade with our suppliers to specifically outline our expectations of suppliers with regards to modern slavery risk management
- Undertaking a deep dive assessment of higher risk supply chain categories – we will develop a database of tier 1 and where possible tier 2 suppliers for Strand directly supplied products in order to support deeper due diligence activities.
- Implementing targeted due diligence activities in higher risk supply chain categories – we will implement a formal process for requiring our direct suppliers to undertake social compliance audits. We will also proactively monitor the outcomes of these audits and support them to address corrective actions. We will also identify potential due diligence activities for our non-trade suppliers.

1

Understand and analyse risks

We will continue to assess and review potential modern slavery risks in our supply chain, reviewing our policies, procedures and controls (including supplier contracts, contract clauses and codes of practice)

2

Enhance and monitor controls and oversight programme

We will continue to monitor our programs to ensure they are effective and identify opportunities for improvement

3

Expand traceability

We will work with our suppliers to commence traceability across our Tier 2 supply chain