

Next Athleisure Pty Ltd

ABN | 47 083 404 424
A | Level 12, 54 Park Street, Sydney NSW 2000
P | (02) 9256 8400

Reporting Entity: Next Athleisure Pty Ltd ABN 47 083 404 424

MODERN SLAVERY STATEMENT

This statement is being made on behalf of Next Athleisure Pty Ltd (ABN 47 083 404 424) (**Next Athleisure**) in compliance with s13 of the *Modern Slavery Act 2018* (Cth) (**MS Act**).

Next Athleisure Pty Ltd ABN 47 083 404 424 trading as Glue Store (**Glue Store**) is the parent of:

1. Trend Imports Pty Ltd ABN 50 087 277 512 (**Trend Imports**);
2. Trend International Pty Ltd ABN 78 640 338 763 (**Trend International**);
3. Trend Imports (NZ) Pty Ltd; and
4. Le Coq Sportif Oceania Pty Ltd ABN 61 145 021 165 (**LCS**),

Collectively, the **Next Athleisure group**.

Operations and supply chain

The Next Athleisure group offers direct to consumer retail through its national Glue Store network and wholesale and retail supply through Trend Imports, Trend International, Trend (NZ) and LCS.

For over two decades, Glue Store has been the original 'House of Brands' premium youth clothing, footwear and accessories fashion retailer with 22 stores around Australia (NSW, VIC, QLD) and 1 flagship Italian footwear store (NSW), Superga, employing a total of 471 retail staff and 71 support office staff based in its Sydney Head Office (45 Glue, 26 Trend Imports).

The Next Athleisure group delivers on-trend products and an aspirational brand assortment that empowers individuals to be fashion leaders and live their best lifestyle. We do this by creating, curating and sourcing the ultimate edit of Australian and overseas street, fashion and sports culture and brands designed to fire up and inspire individuality. Our brands include major international labels like Polo Ralph Lauren, Stussy, Nike, adidas, Tommy Hilfiger, Ellesse, and Champion and Australian fashion favourites and local designers PE Nation, Nude Lucy, Beyond Her and Thrills Co among others.

From our support office and our stores to our extensive supply chain, inclusivity, diversity and equality is celebrated and is also at the core of who we are, what we stand for and how we act towards one another. We foster an environment that is diverse and respectful, where everyone is considered equal and their health, safety and human rights are protected and promoted.

We endeavour to empower people to live a life filled with independence, confidence and self-expression free from abuse and violations. We will not tolerate any breach of fundamental rights and are committed to ensuring that we, and our suppliers (including direct and indirect supply of goods and services within the Next Athleisure group), exceed minimum ethical and labour standards.

The Next Athleisure group has an extensive supply chain that traverses three continents, from Bangladesh to El Salvador, Turkey and Italy to Vietnam and China. The supply chain mapping has identified 272 brands in the Next Athleisure group supply chain. Many of these brands are purchased through Trend Imports, and other brands are bought through suppliers and agents based in Australia and representing some of the most significant brands in the market.



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In addition, the Australian operations supply chain supports the 23 retail stores and head office and includes: facilities rent and management; security equipment, electronics and technology; marketing, consumable goods for in store such as bags, hangers and labels; as well as 4 online stores utilising an extensive network of warehouse management and logistics suppliers.

One of the prominent suppliers to the Glue Stores is Trend Imports which has exclusive importation rights for some major brands, and also owns several labels which it provides from design stage to manufacture, predominantly in China, to finished product.

Risks of Modern Slavery

Modern slavery is defined in the MS Act as encompassing eight types of serious exploitation: servitude, slavery, forced labour, forced marriage, the worst forms of child labour, debt bondage, deceptive recruiting for labour or services, and trafficking.

Next Athleisure group is keenly aware that the apparel industry poses a high risk of modern slavery which is heightened when garments are produced in certain countries or regions. We know that the clothing industry has high risk work practices, with exploitation and labour violations operating on a continuum to modern slavery in many of the countries from which we source and manufacture our products.

Suppliers coming or sourcing products from high risk countries such as India, Bangladesh, China, and Turkey as well as other locations across Asia, are of particular interest to us. The *Global Slavery Index*, in addition to our own risk assessment raises the possibility of child labour, forced labour, servitude, debt bondage and possibly even slavery of both nationals and migrant workers in these countries.

As we develop more maturity in our modern slavery risk management practises and continue to build understanding of our supply chain, we will identify suppliers of concern on an ongoing basis and increase our due diligence processes.

In the initial phase, we will focus our responses on the highest-risk suppliers and those with whom we are likely to have most leverage. These are the suppliers who directly engage either factories, or workers in the manufacture of apparel in higher-risk countries. A key area of focus will be the suppliers who directly supply products that are designed and procured by Trend Imports, as described above. These suppliers are primarily located in China.

Within Australia, the primary areas of the supply chain include retail store rental, recruitment and personnel, ICT including security equipment, advertising and marketing, and consumables including packaging, carrier bags, hangers and labels. Many of those who supply these goods and services are based in Australia, but source products from overseas, in particular China. Consequently, similar risks can be found in this part of the supply chain beyond the first tier.

Actions we have taken

Next Athleisure group is committed to addressing the issue of modern slavery in the apparel and footwear industry. As such we have focussed on understanding the full complexity of our supply chain and with garments being assembled in one part of the world, while components are made elsewhere, the task has been complex and challenging.



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In this reporting period, we have increased our understanding of our supply chain and drawn together plans for strengthening our due diligence systems and processes, engaging with the highest-risk suppliers in the jurisdictions noted above. In doing this we have sought to assess our management and governance structures, identify any gaps, and establish an action plan for implementation in our next reporting period.

Our *Code of Conduct* which applies to the entity, its managers, and team members, contains Next Athleisure group's firm commitments to conducting business in ways that are environmentally and social responsible. Within Next Athleisure group, the *Code of Conduct* already embodies a commitment to respecting the dignity of team members as well as their legal entitlements and human rights. While this commitment is a rejection of all forms of modern slavery, we will seek to make this more explicit in the next reporting period.

Our commitment to continuous improvement has several stages. Having identified risks, the next stage is to:

- strengthen our existing management and governance frameworks;
- establish minimum standards outlining our expectations of suppliers;
- engage with suppliers from high-risk jurisdictions to gauge risk more accurately and to communicate our expectations about human rights and modern slavery;
- develop internal training so that relevant people in our organisation understand modern slavery risks and can join the effort to minimise risks in our supply chain.

Following this, we will take deliberate steps to implement and deliver on our firm commitments. The strategies we have resolved upon will include:

- reviewing contracting procedures so that our minimum standards for suppliers are reflected in our procurement decisions;
- ensuring that modern slavery responsibilities are spread across the various functions and are factored into everyday processes from procurement and human resources through to major strategic decisions.

Are we effective?

We are beginning our journey of due diligence in relation to modern slavery. Nevertheless, we are committed to ensuring that the steps we take will be effective and serve to build a system that will continuously improve in risk identification and due diligence. This includes:

- establishing a company-wide Modern Slavery Working group that meets regularly, and has oversight of the modern slavery program within a broader human rights framework;
- tracking the number of contracts that include clauses relating to modern slavery and related practices;
- developing a timeline for assessing suppliers and measuring the response rate from suppliers;
- ensuring that our supplier minimum standards provide the underpinning for our supplier assessments, so that a consistent message is delivered and reliable results are obtained;
- ensuring that the Working Group monitors whether modern slavery due diligence is occurring as planned;
- monitoring how many Next Athleisure group's people have completed modern slavery training, whether online or face-to-face.

In these ways, the effectiveness of our governance changes, and our supplier engagement measures can be best assessed over time.

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Consultation

This statement has been prepared after consultation between Next Athleisure and Trend Imports, as well as with all the subsidiary entities that are covered by this statement.

Approved by the Board on: 30/10/20

Signed by Darren Todd on behalf of the Board:

