



ETHICAL MERCH CO

MODERN SLAVERY VOLUNTARY STATEMENT

(2022 - 2023) 3rd Statement

ethicalmerchco.com.au



INTRODUCTION

I am proud to release Ethical Merch Co's Modern Slavery Voluntary Statement, reflecting the third phase of our continuing journey and commitment to this important work.

From the inception of our venture in the custom merchandise and apparel sector in 2007, upholding ethical production has remained a central pillar of our ethos. Over the years, we've dedicated ourselves to educating not only our team and clients, but also the entire industry about the path towards ethical sourcing. Our aspiration has been to set an exemplary standard that prompts competitors to grasp the significance of responsible management and production in our supply chain. A pivotal aspect of our business identity is to raise consciousness within the industry, making it evident that times are evolving and considerations such as 'who' and 'how' are surpassing the mere price tags.

To date, we've diligently reviewed our policies, reevaluated procedures linked to ethical sourcing, meticulously sought out a factory with a strong commitment to ethical production, and conducted comprehensive training both internally and externally to amplify awareness about the societal and global challenges demanding ethical sourcing. We've also identified ways to more deeply integrate ethical sourcing principles into our operational processes as well as the interactions we've had with other businesses.

Our objective extends to becoming a prominent advocate for ethical production within the manufacturing landscape, advocating for the implementation of Modern Slavery legislation in Australia. We are enthused about the introduction of the Modern Slavery Act in NSW and extend our commendation to the government for this positive step towards enlightening Australia about the critical realities of modern slavery.

While a significant portion of industry members are genuinely concerned about human rights and stand opposed to any form of slavery, they often struggle to identify the initial steps to take a firm stance against the issue. To establish effective, enduring, and ethical practices, we firmly believe that concrete actions should be coupled with a heartfelt dedication to a world free of modern slavery.

Our ambition involves forging a distinctive business approach. We acknowledge that the realisation of ethical sourcing goals necessitates collective action from the entire industry. In this spirit, we seek partnerships with likeminded entities, aspiring to nurture collaborative bonds with suppliers, educating others about ethical sourcing fundamentals, aiding clients in their responsible sourcing objectives, and taking resolute action beyond mere commitments. While achieving a wholly ethical production line might be a lengthy journey with imperfections along the way, we remain resolute in our commitment to identifying, preventing, and addressing situations where individuals connected to our business operations are denied their fundamental rights to dignity and fair labor. We warmly invite you to embark on this journey alongside us.

Nathan Kingston

Sole Director
CONCIERGE CONTACTS GROUP PTY LTD, Australia



THIS MODERN SLAVERY STATEMENT HAS BEEN APPROVED BY THE PRINCIPAL GOVERNING BODY FOR CONCIERGE CONTACTS GROUP PTY LTD.



Nathan Kingston, Sole Director
Concierge Contacts Group PTY LTD, Australia
Approved on:03/07/23

“
**WE KNOW THAT
PHYSICAL ACTIONS
MUST BE PARTNERED
WITH A PASSIONATE
HEART FOR A WORLD
WITH NO MODERN
SLAVERY.**”

OUR MODERN SLAVERY STATEMENT

We are voluntarily reporting to outline our vision and journey of how we, as a business, can support ethical sourcing procedures throughout supply chains and all operations.

1. HEART

2. MISSION Pg 6

3. STRUCTURE Pg 8

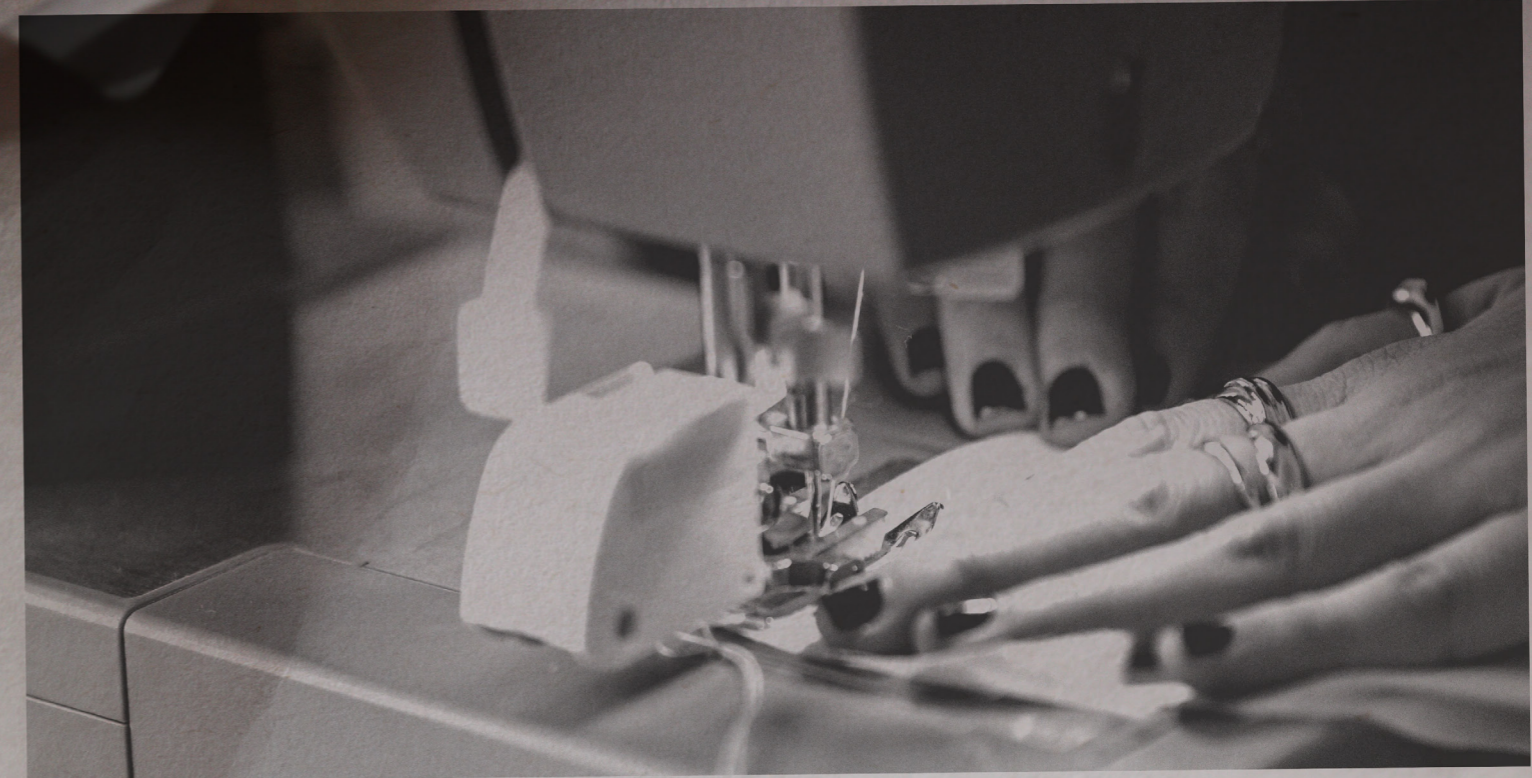
4. RISKS Pg 10

5. ACTIONS & SUBSIDIARY ENTITIES Pg 12

6. COVID ACTIONS Pg 15

7. CHANGE Pg 16

8. ALIGNMENT Pg 18



1. OUR HEART



STAND FOR SOMETHING

Our 5-year goal is to have the largest presence in the Australian market so that clients and competitors are competing on ethics and not just price. Price is the number one contributing factor that decides where the products are sourced from. This will stop suppliers in overseas countries from getting orders if they are not compliant. It's a long road ahead but we want to ensure people in our world aren't being exploited. We want to make a difference in the way the world sources its products. Many clients have no idea where their products are coming from and our aim is to change that. Some of our clients even use our standards in their own marketing materials to show their clients that they only align with ethical suppliers.



2. MISSION

The 2018 report from the Global Slavery Index, which was published by the Walk Free Foundation, reveals that G20 countries, representing 80 percent of global trade, annually import garments valued at \$127.7 billion that could potentially involve modern slavery in their supply chains. These imports contribute to a global economy that ensnared 40.3 million people in modern slavery in 2016, with 71 percent being women. Ethical Merch Co's mission is straightforward: we aim to disrupt the supply chain from factories with unethical practices and establish transparency for global businesses so they are informed about the production methods and locations of their products.



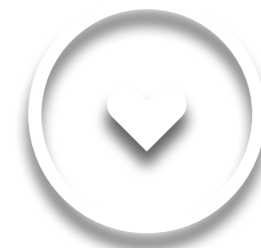
RAISE THE INDUSTRY STANDARD

In our perspective, when factories and suppliers face rejections for business, they will ultimately alter their operational approaches. This transformation begins with the buyer's choices.



CHANGE THE WAY BUSINESSES THINK

Modern slavery thrives on a basic supply and demand framework. By shifting the perspective of Australian businesses to prioritise factors beyond just price and consider the human lives involved, we can alter the demand. In an ideal scenario, if everyone begins altering their demands, it can significantly impact the overall supply.



ERADICATE MODERN SLAVERY

While it may appear to be an ambitious aspiration, it's this very vision that drives our adoption of an ethics-centric business model. We firmly believe that despite the challenges of the journey ahead, by consistently taking the appropriate measures, we can ultimately create a world where modern slavery no longer exists.



CURRENT BUSINESS STRUCTURE

QUOTING (AND EDUCATING)

When a client introduces us to a brief, if they aren't yet familiar with how we operate, our first point of call is to bring up the topic of Modern Slavery. If our clients aren't already aware of the Modern Slavery Act, we educate them not only on the policy itself; but the importance of partnering on a journey to eradicate modern slavery.

Once the client can express some form of understanding about the way we source our products, we proceed to quote accordingly.

SOURCING (AND EDUCATING)

Depending on the client's request, we look into our current pool of factories and suppliers that would best suit their needs. Due to the vast spectrum of orders we produce, we have used the services of factories all over the globe.

Once we have matched a supplier that will best meet the client's order, we check their audit reports to make sure they are up to date. If we are unable to find a supplier that can produce the certificates, we will not supply the product.

Fortunately, we are able to educate the factories that are not complying and encourage them to move in the right direction, and let us know when they have done so. We continue to build relationships with our current factories; some of which have been working with us for over 6 years. Over that time we have been able to visit them, converse with workers & management, and inspect their working conditions.

FULFILLING ORDERS

The current production time frame varies depending on the product, but our rule of thumb for overseas manufacture is 5-7 weeks from confirmation of artwork. This estimate can vary, based on product availability, but we like to allow extra time to decrease any chance of modern slavery risks that may spawn from a tight deadline.

Once the order lands in our Sydney-based warehouse, it will then be sent out via courier.

DAY TO DAY OFFICE

Our warehouse and office are based in Castle Hill, Sydney. With a small team here on the ground, we are able to facilitate a fair and safe workplace, free of modern slavery.

OVERSEAS MANUFACTURE

We work with factories when manufacturing custom products. We have 3 key factories that we utilise for the majority of our orders. These factories all comply with Sedex Global by providing certifications for their production.

We have an agent on the ground in China, who knows our strict criteria when it comes to sourcing a product that is out of our 'Key Factories' capabilities. That criteria is to have Sedex Global membership, allowing us to inspect audit reports that have been undertaken and certifications to ensure the standards are met.

On the search for factories, we have come across many audits that have not met a high enough standard when it comes to reporting & certifications. Thankfully in these cases, we have been able to educate the factories on the modern slavery topic. One of these factories actually went on to produce certifications so that they could contend with the standard. That is our goal, educating and lifting up factories - to set a new standard, where the price isn't dictating the sale, but the ethical standard is.

OUR WHOLESALE SUPPLIERS

The minority of our business comes from local suppliers within Australia & New Zealand. Our local wholesale suppliers assist us in completing orders that total to a smaller quantity or for orders that are more basic in nature and where less customisation is involved. I.e; Pens, Mugs, Tote Bags, Generic uniforms, and other items of that nature.

When choosing our local suppliers, they must meet at the very least some of the following criteria:

- Acknowledge the issue of Modern Slavery and how it affects their supply chain.
- Provide audit reports, certificates, or any other relevant information regarding their supply chain.
- Provide examples of how they are combating the issue of Modern Slavery if applicable.

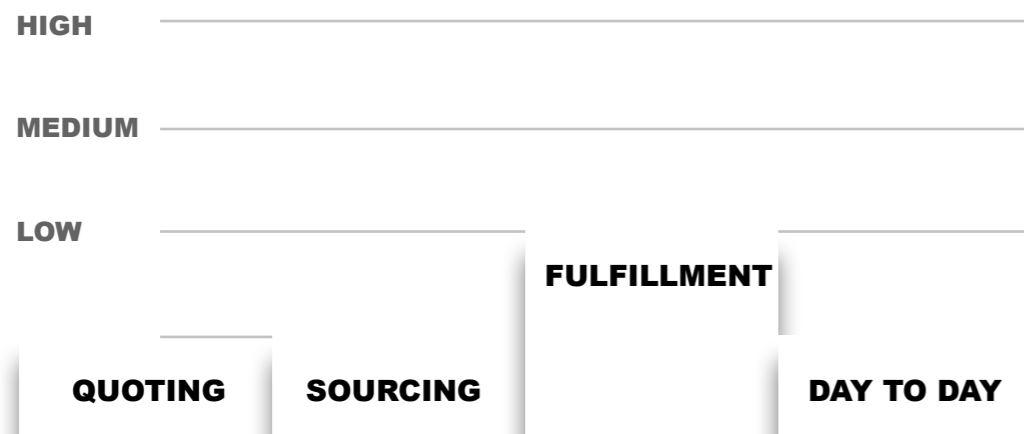
MODERN SLAVERY RISKS

1ST TIER OUR RISK CATEGORIES

Evaluating our primary level risks proves relatively straightforward due to our compact local team and stringent factory selection criteria, which prioritise compliance with audits, certifications, and standards.

However, what remains a challenge is recognising the potential modern slavery risks embedded in production and supply chains across higher tiers. These are areas that remain beyond our current visibility, where audits and visits have struggled to unveil problematic aspects.

1ST TIER RISK AREAS



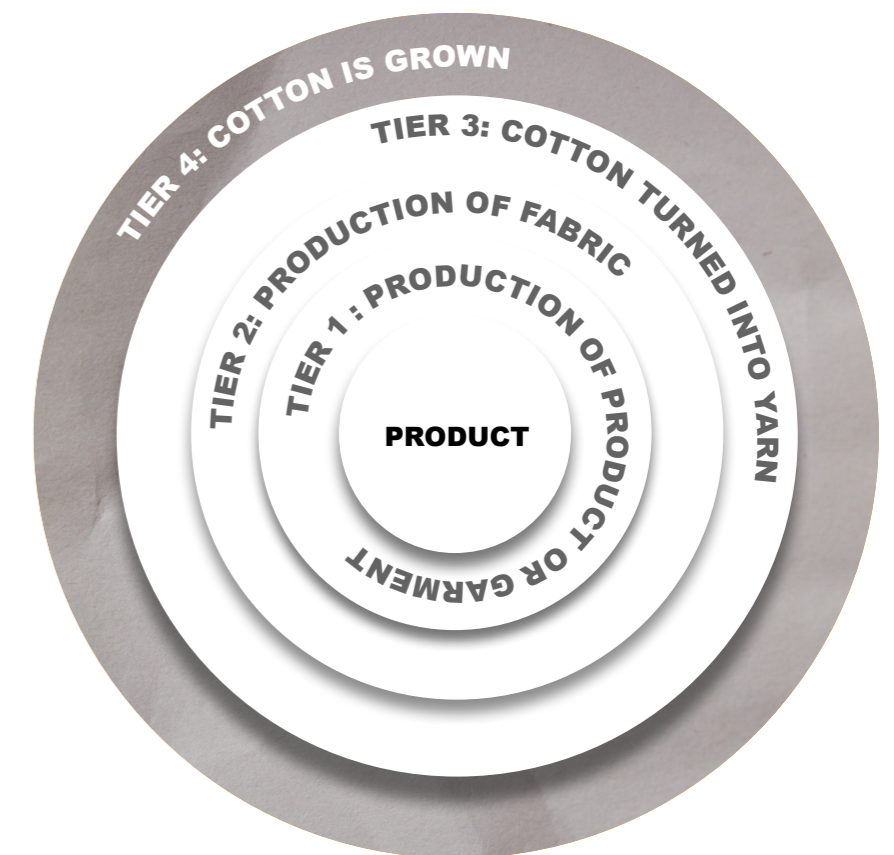
GLOBAL MANUFACTURING



FURTHER TIER RISK AREAS

Beyond tier 1 of our production, there are 3 clear points of risk (Exemplified here for a cotton garment). This varies from product to product, and the number of stages involved in producing the product.

We are able to look further down the supply chain for our client's products when the order quantities are larger and it's within their budget.



ACTIONS TAKEN THIS YEAR (2022 - 2023) AND SUBSIDIARY ENTITIES

CONTINUED EFFORTS TO RAISE THE INDUSTRY STANDARD

The Australasian Promotional Products Association (APPA) represents businesses that specialise in, tangible marketing through the supply, distribution, and decoration of promotional products.

As a leader in our industry, we were asked to help pioneer a strategy and plan to help all businesses within our APPA start to think about how they could look into and improve their supply chains. We were asked in 2022 and have continued our efforts to date.



Sedex® SEDEX GLOBAL MEMBER

In 2021, Ethical Merch Co, a Sedex Global Member was asked to be the focus of a case study diving into practical ways that businesses can begin to look into their supply chains. In 2023, Ethical Merch Co continues to partner with Sedex Global.

Q&A SUPPLIER QUESTIONNAIRE

IN 2021 We actioned phase one of the creation of our own supplier questionnaire. The Q&A is designed to not only educate new suppliers on the topic of Modern Slavery but also gauge where there are on their journey. We have continued to refine this questionnaire since it's creation.



UNCHAINED



UNDERTOOK UNCHAINED SEMINAR AUGUST 2022

The focus of this webinar is to demonstrate how Australian organisations can take a profit-centre approach to addressing the issue of modern slavery through gaining transparency over the supply chain of goods and services.

Topics Covered:

- Awareness of the risk of modern slavery in supply chains and operations.
- Understanding of the Modern Slavery Act 2018 (Cth) and (NSW) on business.
- Outline of key steps for modern slavery due diligence.
- Checklist for business considerations.
- Understanding the scourge of modern slavery which impacts more than 40 million people globally.

POLICIES LISTED ON ETHICAL MERCH CO WEBSITE

At Ethical Merch Co, we firmly believe that the path to a better industry lies in knowledge-sharing and collective efforts. That's why we have made our policies, including the Human Rights Policy, Grievance Policy, Modern Slavery Policy, Supplier Code of Conduct, and Remediation Policy, readily available to the public on our website. By doing so, we aim to lead by example and inspire others within our industry to embrace ethical practices.

We understand that true change can only be achieved when everyone is aware and educated about the importance of responsible business conduct. Through transparency and accessibility, we hope to foster a culture of collaboration, where like-minded organisations and individuals can come together to create a more sustainable and humane business landscape. We encourage others to learn from our journey, adapt these policies to their unique contexts, and collectively work towards a brighter future for all stakeholders involved.



ONGOING ACTIONS

In alignment with our 5-year strategy, our company has established an accountability roadmap pinpointing areas where improvements are required. While we acknowledge that we may not possess precise knowledge of every facet of our product origins due to the diverse range we offer, we recognise the limitations inherent in this regard. Nevertheless, we aspire to eventually attain comprehensive understanding.



REACH FURTHER LEVELS

For example on a woven product: Currently, when inspecting the reports provided by suppliers & factories they will usually provide reports on top tiers such as the factories where the garments are being produced. Ideally, we want to be able to inspect all the way down to the cotton farm, although it's a long road ahead, we aspire to keep reaching further down.



INSPECT MORE SUPPLIERS

When we inspect new suppliers, we are only able to see so much with the reports provided. To improve our business, we aim to visit more factories, in addition to the factories we currently have relationships with, to physically inspect their production procedures.



STAFF KNOWLEDGE

We will continue to develop staff education on ethical sourcing and ethical production by attending appropriate conferences & educational events.



LIKE MINDED PARTNERS

We will continue to grow our partner base, with like-minded organisations that are equally passionate about making a stand against modern slavery. So far, we have become official partners of A21 - a non-for-profit organisation that fights modern slavery and human trafficking on the ground all over the globe.

COVID ACTIONS TAKEN

In response to the evolving circumstances shaped by the global impact of Covid-19, we've undergone adjustments to our business model. This adaptation aims to safeguard our processes from exerting undue pressure on our supply chains.



NOT MANUFACTURING IN HOT-SPOTS

One of our procedures is ensuring that the factories that we are utilising are not located in current hot spots, to do our part in not encouraging workers to be subject to unfair and unsafe working conditions and environments.



MANUFACTURING TIMES

We have adjusted our deadlines and production times and make this clear with our clients from the get-go, so that we are not placing extra pressure on workers.



ONLY SOURCING OVERSEAS IF CUSTOMER REQUEST

We have made the decision to only source overseas production as our last option once ethically sourced local product options have been exhausted. Due to the unknown environment overseas, while Covid is surging, it is harder and harder to determine how ethical the manufacturing process truly is. Attempting to keep our orders local in the interim, allows us to keep a closer eye on the process.

CHANGE

We've implemented a range of procedures within our business operations to guarantee transparency regarding the fulfillment of our orders. The following are some primary procedures we've established to uphold ethical production standards and simultaneously enlighten our clients about the significance of this matter.



EDUCATE OUR CLIENTS ON THE MODERN SLAVERY ACT

If our clients aren't already aware of the Modern Slavery Act, we educate them not only on the policy itself; but the importance of partnering on a journey to eradicate modern slavery.



CHOOSE SUPPLIER/FACILITY BASED OFF CLIENT'S ORDER

Depending on the client's request, we look into our current pool of factories and suppliers that would best suit their needs. Due to the vast spectrum of orders we produce, we have used the services of factories all over the globe.



FACTORY CHECKS

Once we have matched a supplier that will best meet the client's order, we check their audit reports to make sure they are up to date. If we are unable to find a supplier that can produce the certificates, we will not supply the product.

Fortunately, we are able to educate the factories that are not complying and encourage them to move in the right direction, and let us know when they have done so.

We continue to build relationships with our current factories; some of which have been working with us for over 13 years. Over that time we have been able to visit them, converse with workers & management, and inspect their working conditions.

WHAT WE LOOK FOR

Below are some of the organisations and certifications that we look for when checking our factory's audit reports.



OUR ALIGNMENT

SELECTING THE KIND OF ORGANISATIONS WE ASSOCIATE WITH HAS CONSISTENTLY HELD PARAMOUNT IMPORTANCE WITHIN OUR BUSINESS. WE HOLD FIRM TO THE PRINCIPLE OF COLLABORATING WITH ENTITIES THAT SHARE OUR VALUES AND FERVOR FOR CREATING A WORLD FREE FROM MODERN SLAVERY.



F R E E D O M
— H U B —

Freedom Hub's Survivor School provides survivors saved from human trafficking, long-term support. They do this by running free, personalised classes to assist them in recovering from trauma. Further, they have courses to help them become ready to work.



i58 is a movement of people committed to loving our neighbour through actions. Every person carries immense worth, & they believe that injustice of any kind, should never be a normal situation for anyone. So, when they see others suffering oppression, poverty, and pain they step in.



A21 is a nonprofit organisation fueled by radical hope that human beings everywhere will be rescued from bondage and completely restored. They are the abolitionists of the 21st century. They work with you to free slaves, disrupt the demand, and bring the perpetrators to justice.

Compassion Australia is a Christian holistic child development and child advocacy organisation that works in partnership with local churches to foster the spiritual, economic, social, physical and emotional development of children living in extreme poverty in over 25 countries.



You'll find Salvos across Australia dedicated to sharing the love of Jesus through caring for people, creating faith pathways, building healthy communities and working for justice. Regardless of where they are or what they're doing, one thing always remains true: They're about giving hope.

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