

GOING PLACES SINCE 1927

STRAND
MODERN SLAVERY STATEMENT
FY24

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Modern Slavery Statement for FY24

This is Strand's fourth Modern Slavery Statement in accordance with the Modern Slavery Act 2018 (Cth) and covers the reporting period 1 March 2023 to 29 February 2024.

Strand is opposed to all forms of modern slavery. Such exploitation is against Strand's ongoing commitment to respect human rights as set out in the Universal Declaration of Human Rights and the International Labour Organization 1998 Declaration of the Fundamental Principles of Rights at Work.

As part of our long-term commitment, we understand that there are potential modern slavery risks in our business, and in 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 and was approved by the Board of Directors of Strandbags Holdings Pty Ltd on 1 October 2024.

Signed by:



Gregory Hayim - Director

Approved by the Board of Directors on 1 October 2024.





Our progress

Over the four reporting periods, we have made substantial progress but recognise there is still a long way to go. Last year we identified 3 priorities, and have made significant progress against 2 of these, with work continuing to establish traceability across our supply chain.

1

Understand and analyse the risks

We have developed a Risk Assessment approach to assess the risk of modern slavery across all of our sourcing channels (direct manufacturing, third party brands and goods not for resale) and have rolled out due diligence programs based on the risk levels

2

Enhance and monitor controls and oversight programme

We have developed regular reporting over our social compliance programs to understand and identify modern slavery risks from each of our manufacturing sites. This is reported to our senior leaders and Audit & Risk Committee on a regular basis allowing them to oversee our progress.

3

Expand traceability

As a part of the rollout of our updated Supplier Code of Conduct and Terms of Trade, we have established expectations with our suppliers that we will commence assessing our extended supply chain and are developing the approach, including communications, policies, training and systems to do so.



Our structure

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

Strand owns ATR Brands Limited (“Antler”), 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, Sydney with a support office for Antler in London.

Our warehouse operations are based in Western Sydney and Antler uses third party logistics providers in the UK and USA.

Strand has over 260 Strand and Strandbags stores across Australia and New Zealand.

As a group, Strand directly employs over 2,000 employees in our head office, stores and warehouse combined. Our operations also include indirect workers contracted by third parties and includes the use of labour hire in our warehouse, for store fit-outs and for cleaning services.

Our business

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

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

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

Key non-trade goods and services include:

- Leasing of offices, stores and warehouse
- Logistics, including freight and distribution
- Information technology software and equipment
- Marketing and printed materials
- 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 modern slavery reporting does not reduce the overall risk of modern slavery and our 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.

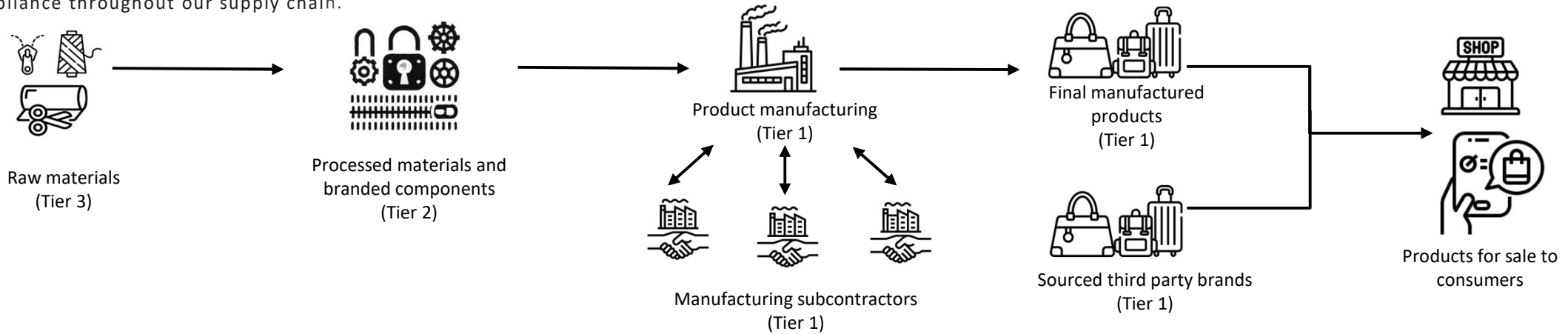
The Strand Sourcing & Risk teams continue to maintain open consultation regarding modern slavery risks with both its wholly owned subsidiary in New Zealand, Strandbags Pty Ltd, as well as with its wholly owned subsidiary in the UK, ATR Brands Limited, and makes this Modern Slavery Statement on behalf of the entire group.



Risks of modern slavery in our supply chain

Our supply chain covers all stages of manufacturing and production, from raw materials like cotton linings and zippers to finished products. While we have successfully mapped our direct suppliers (Tier 1), we recognize the need for a comprehensive approach to understand and mitigate modern slavery risks across our entire supply chain, including Tier 2 suppliers who provide essential materials and components. At Strand, we are committed to expanding our due diligence efforts to include these downstream suppliers. This involves partnering with them to ensure transparency, adherence to ethical labor practices, and continuous monitoring of their operations.

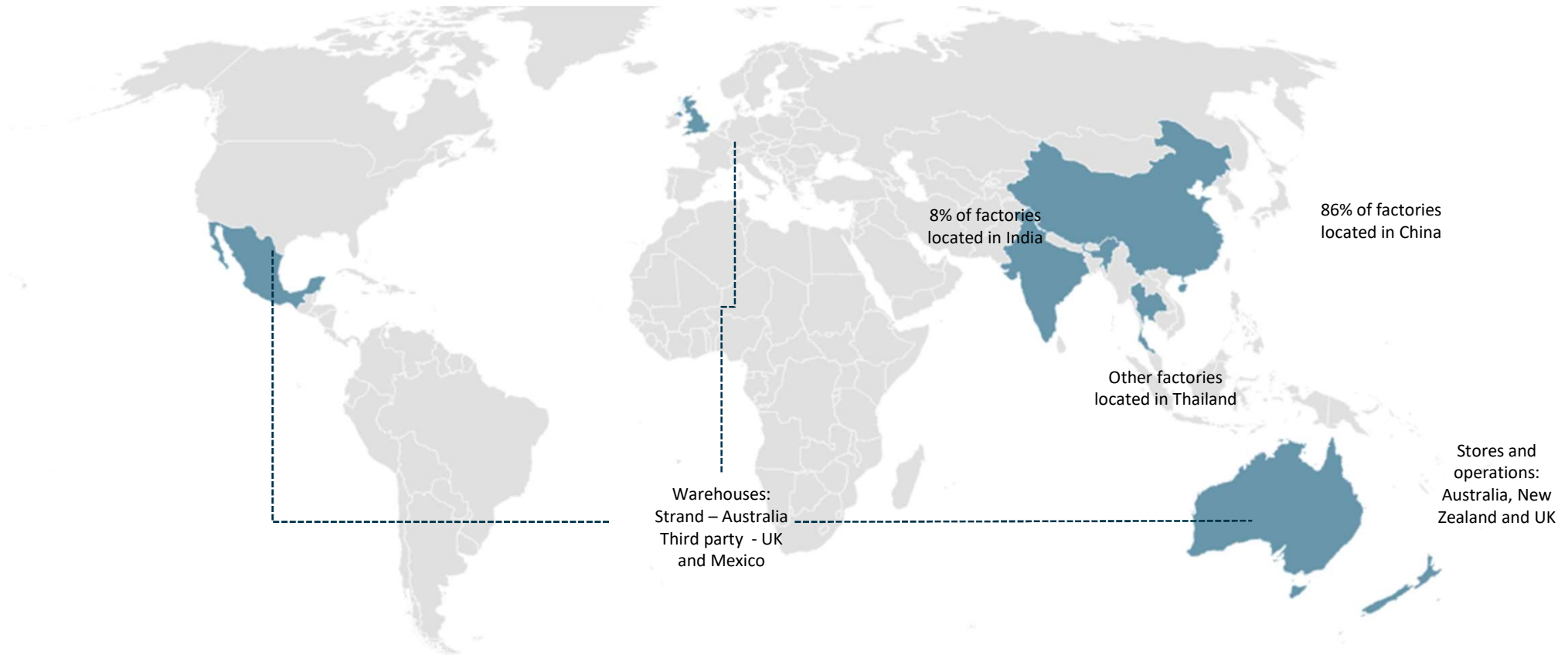
Although we also purchase finished products for sale, our immediate priority is to establish robust modern slavery due diligence practices with our direct manufacturing suppliers. However, this does not diminish our commitment to eventually extend these practices to all suppliers, regardless of their position in the supply chain. We acknowledge that this is a complex and ongoing process, and we are dedicated to continuously improving our practices to ensure the highest standards of social compliance throughout our supply chain.



Supply Chain Segment	Inherent Risk	Description	Modern Slavery Risk Factors	Priority for Action
Product Manufacturing (Tier 1)	Medium to High	Factories that cut, sew or manufacture products available for sale by Strand	Child labour, debt bondage, forced and migrant labour servitude, deceptive recruitment	High – continued due diligence for the next 12 months
Processed Materials and Brand Components (Tier 2)	High	Suppliers of processed materials and brand components like zippers, locks, and branded items	Child labour, debt bondage, forced and migrant labour servitude, deceptive recruitment	High – partnering with suppliers to map our supply chain
Raw Materials (Tier 3)	High	Suppliers of raw materials such as fabric, yarn, and other base materials	Child labour, debt bondage, forced and migrant labour servitude, deceptive recruitment	High – partnering with suppliers to map our supply chain
Sourced Third-Party Brands (Tier 1)	High	Suppliers from whom we purchase finished products available for sale by Strand	Child labour, debt bondage, forced and migrant labour servitude, deceptive recruitment	Low – commence due diligence over the next 12 months

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Our Tier 1 suppliers



At the time printing this report, Strand currently source from 51 factories located across 3 countries, broken down as follows:

China: Strand sources the majority of our products from 44 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 products from 5 factories, all located in Kolkata. We work with these factories primarily in producing our leather products.

Thailand: Strand sources from 2 factories. We work with these factories in producing our luggage products.

These suppliers may either own the factories that produce the finished goods or subcontract the work to other pre-approved factories. Strand requires its Tier 1 suppliers to sign agreements that stipulate our expected Code of Conduct and the need for pre-approval for any subcontracting of main processes. Additionally, we conduct regular site visits to monitor manufacturing processes and ensure unauthorized subcontracting is minimized.

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Our Tier 2 & 3 Suppliers

While our primary relationships are with our Tier 1 suppliers, we acknowledge that we have a critical reliance on the suppliers who supply to our Tier 1 suppliers (Tier 2 and Tier 3), in the complex production and supply of our finished products.

We recognise the importance of supply chain traceability, and this is an active priority for our business. Therefore, we are going to map our overseas supply chain beyond Tier-1 starting in the 2nd half of FY25.

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 using 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, while 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. The areas of significant 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 to moderate	IT hardware and software used in retail stores and websites, and in retail support services.	Limited inherent risk factors identified	

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Actions to address our modern slavery risks

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

Governance

Strand continues to oversee its modern slavery program through our functional and regional modern slavery working group, which meets regularly. The risk of modern slavery is a critical risk on the Strand risk register and is reported to our Audit and Risk Committee on a regular basis.

A new Social Compliance function has been introduced in FY25, which has played a crucial role in combating modern slavery within Strand through social compliance policy development and implementation, training and increased awareness within our supply chain, and monitoring the social audit program to identify any potential risks or instances of modern slavery.

Social audit program

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

Each year we develop an audit plan for all high-risk manufacturing suppliers. These audits 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) along with all relevant laws. These criteria include working hours, wages, freedom of association, subcontracting, freely chosen employment and health and safety. We do not accept exploitation or mistreatment of any type within our supply chain.

Reporting

We manage what we measure. Strand has implemented regular reporting on our social audit program to understand and identify risks in our manufacturing sites. This reporting is provided to our Executive Management team as well as our Audit and Risk Committee on a regular basis, allowing them to maintain ongoing oversight of the modern slavery risk in our business.

Setting expectations with our suppliers

To ensure our manufacturing partners uphold our principles, we have updated our Supplier Code of Conduct and Terms of Trade.

In FY24 we revised our Supplier Code of Conduct and Terms of Trade to specifically set expectations with our suppliers in relation to the social, ethical and environmental impacts of our supply chain and to seek a commitment from all suppliers to have formal policies and systems in place that align with our code.

Site visits

Site visits are crucial for our teams to build deeper relationships with our suppliers, understand their operating facilities, and support our modern slavery program. During FY24, 76% of our Tier 1 factories were visited by Strand sourcing and quality teams, as a support in identifying and reporting if any modern slavery risk is present on site. In FY25 to date, 26 visits have been carried out highlighting that this review is regular and ongoing.

Training

A training program is being developed for the supplier procurement and product buying teams to highlight the risks of modern slavery in the supply chain.



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 and implementation (with new Social Compliance function)	Ongoing
Monitoring	Third party social compliance 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

Going forward

In FY25, Strand will endeavour to extend its modern slavery review to overseas Tier 2 suppliers as well as locally sourced third-party product suppliers.