



**CULTURE KINGS
GROUP**

Modern Slavery Statement

Fourth Reporting Period: 1 January 2022 - 31 December 2022

Introduction and summary of key developments.

Culture Kings is a premium streetwear brand.

Culture Kings is continuing to understand and reduce the potential risk of modern slavery in its operations and supply chains. Culture Kings has built on the foundational work reported in its first three Modern Slavery Statements and is pleased to report continuing meaningful work done to identify and mitigate modern slavery risks in its supply chains.

There was one corporate group development: Culture King's interest in Baseline IP Pty Limited ACN 635 702 402, an IP holding company, was divested prior to the making of this statement.

Reporting entity (Mandatory Criterion One: Section 16(1)(a)).

This statement is made by CK Holdco Pty Ltd for and on behalf of:

- CK Holdco Pty Ltd ACN 647 405 169;
- CK Bidco Pty Ltd ACN 647 406 219;
- Culture Kings Group Pty Ltd ACN 627 007 970;
- TF Apparel Pty Ltd ACN 140 259 918;
- TF Intellectual Property Pty Ltd ACN 140 258 742;
- Culture Kings Pty Ltd ACN 140 242 968;
- Culture Kings Melbourne Pty Ltd ACN 164 107 608;
- Culture Kings Perth Pty Ltd ACN 603 930 669;
- Culture Kings Sydney Pty Ltd ACN 600 222 133;
- Culture Kings Brisbane Pty Ltd ACN 600 222 517;
- Culture Kings Gold Coast Pty Ltd ACN 600 222 955;
- TF IP Investments Pty Ltd ACN 647 448 502;
- DXXM Life IP Pty Ltd ACN 641 298 320;
- Pyra IP Pty Ltd ACN 637 983 174;
- Culture Kings NZ Limited NZ Company Number: 7909157.

(together, **Culture Kings** or the **Culture Kings Group**).

This statement is made pursuant to the *Modern Slavery Act 2018 (Cth)* (**Modern Slavery Act**) in respect of the period **1 January 2022 - 31 December 2022**. This statement has been reviewed and approved by the Board of CK Holdco Pty Ltd, the principal governing body, as required by section 16(1)(a) of the Modern Slavery Act. It is also made after consultation with each member of the Culture Kings Group.

1. **About Culture Kings**

CK Holdco Pty Ltd is the principal governing body of the Culture Kings Group and has its registered office in Brisbane, Australia.

CK Holdco, CK Bidco and Culture Kings Group Pty Ltd do not themselves conduct any business.

TF Apparel Pty Ltd is the main trading entity within the group that recognises the sales from the online and brick and mortar stores. TF Apparel Pty Ltd procures inventory (principally clothing, footwear, headwear and accessories) for sale, markets the product and organises delivery to purchasers. TF Apparel Pty Ltd employs Culture Kings HQ and warehousing staff based in Australia. Culture Kings Pty Ltd employs the retail store staff in Australia. All Culture Kings Group employees based in Australia are employed under Australian law and in accordance with Australian labour regulations and conditions. Culture Kings NZ Limited employs employees based in New Zealand under New Zealand law and in accordance with New Zealand labour regulations and conditions.

Culture Kings Pty Ltd, Culture Kings Melbourne Pty Ltd, Culture Kings Perth Pty Ltd, Culture Kings Sydney Pty Ltd, Culture Kings Brisbane Pty Ltd, Culture Kings Gold Coast Pty Ltd and Culture Kings NZ Limited are wholly owned subsidiaries and tenant entities for certain of Culture Kings' bricks and mortar stores.

TF IP Investments Pty Ltd is an investment holding entity that holds interests in certain joint venture and licensing arrangements.

TF Intellectual Property Pty Ltd, DXXM Life IP Pty Ltd and Pyra IP Pty Ltd are intellectual property holding companies.

2. **Structure, operations and supply chains (Mandatory Reporting Criterion Two: Section 16(1)(b)).**

Structure.

For the period of this statement, the Culture Kings Group operates seven brick and mortar stores in Australia and one brick and mortar store in New Zealand.

There is also a very active digital store with sales made in the reporting period to customers worldwide but primarily in Australia, New Zealand and the United States of America. Asia continues to be a growing market.

Culture Kings sourced inventory from a number of countries and regions during the reporting period including China, Hong Kong SAR, Australia, India, Italy, Pakistan, Taiwan, and Bangladesh.

Endorsed Third-Party Brands.

Culture Kings is a retailer (principally of clothing, footwear, headwear, watches, jewellery and other accessories) of finished products for a number of large and known brands.

Examples include *Nike*, *Adidas* and *New Era*. These parties are known colloquially within Culture Kings as "upstream" suppliers in that they supply Culture Kings with finished products. In this statement, finished products provided by upstream suppliers are referred to as "Endorsed Third-Party Brands".

In-House Brands.

Culture Kings also sells what is referred to in this statement as "In-House Brand" products being principally clothing, footwear, headwear, watches, jewellery and other accessories.

For In-House Brand products, Culture Kings is responsible for designing such products and managing the process of transforming raw textiles and other materials into finished products. This involves Culture Kings engaging with designers, textile companies, manufacturers and logistics providers either directly or occasionally through representatives.

The percentage of total inventory spend (GST exclusive) over the reporting period for In-House Brand suppliers against total inventory spend is 23%.

Operations.

Culture Kings presently distributes products supplied by 214 suppliers internationally. The international suppliers consist of leading international clothing brands, exclusive and In-House Brand offerings only available through Culture Kings.

The Board of CK Holdco Pty Limited (the **Group Board**) is responsible for setting the strategy of the Culture Kings Group and overseeing group governance issues. This includes monitoring compliance of suppliers, on an exceptions basis, against Culture Kings' Supplier Code of Conduct that deals with modern slavery risks amongst other things.

The Chief Executive Officer and the Executive Management Team is responsible for delivering the strategic objectives set by the Group Board. This includes day to day compliance and ensuring policies and procedures are adhered to by members of the Culture Kings group and staff.

Supply Chains.

For In-House Brands, Culture Kings engaged 57 textile and manufacturing suppliers across China, Hong Kong, Australia, India, Italy, Pakistan, Taiwan, and Bangladesh during the reporting period.

Culture Kings also sourced products from 117 Endorsed Third-Party Brands suppliers during the reporting period. Most of these Endorsed Third-Party Brands are global brands with international operations. Culture Kings typically sources products from Endorsed Third-Party Brands through their local Australian operations or distributors. Culture Kings significantly reduced the number of Endorsed Third-Party Brands suppliers during the reporting period to focus on larger local suppliers.

For this reporting period, Culture Kings has continued to focus on the assessment of modern slavery risk of its supply chains. As previously reported, In-House Brand suppliers are ranked according to potential risk by an assessment activity conducted by ELEVATE using its Segmentation methodology. See further below.

3. Describe the modern slavery risks in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls (Mandatory Reporting Criterion Three: Section 16(1)(c)).

These risks are common to the reporting entity and the entities that it owns and controls.

From a general perspective, Culture Kings is aware that the global clothing and textile industry is considered a high area of risk for modern slavery.

This high risk is due to the combination of the high intensity and low skill of the labour involved in the manufacture of clothing, footwear, headwear and accessories. This is coupled with the concentration of manufacturers and other participants in the supply chain operating in jurisdictions where worker rights and protections may sometimes be less formalised or enforced than in Australia.

Culture Kings has identified the following as modern slavery risks of particular concern:

- forced labour, where someone has been forced or coerced to work through violence, intimidation, physical threats or threats of reporting to governmental or immigration authorities where the worker is an undocumented or illegal migrant or minority group;
- bonded labour, where someone is forced or coerced to work for the purposes of paying off a debt or other obligation. Methods may involve an "employer" keeping the worker's identity or travel documents for the purposes of restricting the worker's freedom, further entrenching the worker's reliance on the "employer"; and
- child labour generally.

Culture Kings acknowledges that, there can be a lack of visibility in certain overseas markets which carries additional risks.

The lack of visibility has continued during the current reporting period, due to the ongoing economic and social impacts of COVID-19 and associated travel restrictions in a number of countries including in the PRC. These circumstances have increased the modern slavery risks in the jurisdictions in which Culture Kings has operations and supply chains by limiting visibility and on the ground inspections.

4. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes (Mandatory Criterion Four: Section 16(1)(d)).

Focus on In-House Brand supplier risks in supply chains.

For this statement, as was the case in its previous statements, Culture Kings has continued to focus on assessing modern slavery risks in its In-House Brand supply chain in overseas countries that comprise the bulk of its inventory spend on In-House Brands.

Culture Kings' In-House Brand suppliers, which include downstream manufacturers and handlers or suppliers of raw materials, are considered higher risk than the upstream Endorsed Third-Party Brand suppliers.

This is because the In-House Brand suppliers are often smaller and private companies compared to the Endorsed Third-Party Brand suppliers. They may also be based in jurisdictions where worker rights and protections (including for sub-contractors and home workers outside factory premises) may be sometimes less formalised or enforced than in Australia.

In contrast, Culture King's Endorsed Third-Party Brand suppliers are often large and established entities with significant industry reputations. Many of these suppliers are also reporting entities themselves under either the Modern Slavery Act or equivalent regulatory regimes in other jurisdictions.

Risk management and mitigation

Through the current reporting period, Culture Kings has continued to make progress in implementing actions to better address and mitigate modern slavery risks in its supply chain. Culture Kings has also taken a number of steps to continue to understand its supplier base and to seek assurances of modern slavery risk mitigation steps from its suppliers.

Culture Kings recognises that the process of developing an effective and sustainable risk mitigation program requires time and resources to ensure proper compliance within its operations and its supply chains.

Culture Kings' focus during this reporting period, as with the previous reporting period, has been to continue to build a strong foundation for ongoing identification, reporting and management of modern slavery risks.

Culture Kings has focussed on its significant In-House Brand suppliers located in overseas jurisdictions as the key risk area. Culture Kings has adopted a graduated or tailored approach differentiating between In-House Brand and Endorsed Third-Party Brand suppliers and also between high volume and low volume suppliers.

During the previous reporting period, Culture Kings engaged ELEVATE to refine its analysis of its supply chains and risk assessment.

Culture Kings has completed and continues to comply with the following workstreams in accordance with ELEVATE guidance:

- A. **Objective 1:** Training & Awareness Program
- B. **Objective 2:** Supplier Risk Assessment Methodology & Segmentation
- C. **Objective 3:** Responsible Sourcing Program & Policy Review

A. OBJECTIVE 1: Training & Awareness Program

Culture Kings appreciates that internal awareness and alignment on human rights issues is the foundation of a robust responsible sourcing program.

A series of internal training courses on human rights and supply chain engagement has been completed by key personnel in production, design, and merchandise, including Head of Departments, Category Managers, Brand managers, Production Managers, Buyers and Designers.

These training initiatives aimed to empower those key personnel with the necessary basic understanding of human rights issues to identify potential red flags and engage with suppliers constructively on these topics on a daily basis. Broadly, the following training was provided:

- Modern Slavery Training was undertaken by the production, design and quick to market teams during the reporting period.
- Sustainability surveys were completed by the merchandise team.
- A Sustainability Through an Apparel Lens seminar was given in June 2022.

B. OBJECTIVE 2: Supplier Risk Assessment Methodology & Segmentation

During the reporting period, Culture Kings prepared and distributed Supplier Packs which were issued to all new suppliers. The Supplier Packs required suppliers to provide details on where the materials are sourced, compliance or certification of sustainable production and sourcing, and compliance with the Culture Kings Code of Conduct and modern slavery requirements.

[Culture Kings has also after the reporting period issued the Supplier Packs to all existing suppliers to verify compliance with Culture Kings modern slavery requirements. No non compliances have been reported by any supplier prior to the making of this statement.]

The Supplier Packs provide Culture Kings with specific information from its suppliers which enables Culture Kings to make a risk assessment on each supplier. An additional or new focus has been on down stream fabric sourcing to ensure that fabric inputs meet modern slavery requirements.

C. OBJECTIVE 3: Responsible Sourcing Program & Policy Review

Culture Kings, with the assistance of ELEVATE, conducted a policy and process review on its responsible sourcing program, which involved a document review of available policies and interviews of key internal personnel.

The review aimed to understand Culture Kings' ways of working, existing processes, and strategy ambitions of its sourcing program, and to identify areas of improvement.

Based on the results of that review, Culture Kings was able to identify the following headline areas for improvement:-

- **Governance:** To further develop and refine a clear governance structure and review defined roles and responsibilities, and a structured escalation process
- **Staff training:** To provide all new hires with detailed training to key personnel on supply chain risks in key sourcing markets
- **Code of Conduct:** Refresh the existing Supplier Code of Conduct
- **Supplier manual:** Develop a manual that will guide suppliers in complying with Culture Kings' program requirements
- **Supplier segmentation:** Formalise the use of ELEVATE's diagnostic segmentation methodology as part of the supplier onboarding process to continually monitor supplier risks
- **Supplier audit:** Refresh Culture Kings supplier questionnaires to ensure that it remains clear, easy to understand, and have a minimal risk of vague responses by suppliers
- **Supplier audit assessments:** Refine and enhance processes to analyse supplier responses received and determine follow-up actions
- **Supply chain assessment grading:** Set up a Mutual Recognition Program with an equivalency tool that would enable Culture Kings to grade audit reports received from different audit schemes (e.g. SMETA, BSCI, WRAP etc.) against the requirements of its own Supplier Code of Conduct, and standardise the audit evaluation and follow up process
- **Consistency:** To deploy Culture Kings' own audit for suppliers on a regular periodic basis

- **Whistleblower channels:** To refresh and expand existing internal whistleblowing channels to workers in the supply chain and communicate to workers annually.

Due diligence, remediation and continuous improvement initiatives

Culture Kings engaged an Ethical Sourcing Manager who was with Culture Kings from January 2022 to June 2022. The Ethical Sourcing Manager was responsible for driving ethical sourcing initiatives to safeguard and protect the wellbeing of workers and the communities in which Culture Kings operates and to assist in any needed remediation requirements. This manager was focused on providing training and presentation sessions with the production and design team on Modern Slavery, implemented compliance and awareness in regards to required standards shipping into USA and was responsible for quarterly compliance checks and follow-up with regards to regular testing of fabrics and trims.

5. Describe how the reporting entity assesses the effectiveness of such action (Mandatory Criterion Five: Section 16(1)(e))

The Group Board has put in place a reporting system to help ensure obligations under the Modern Slavery Act are monitored on an exceptions basis at Group Board meetings on a periodic basis.

The Chief Executive Officer and Executive Team has responsibility for the day to day compliance of the Culture Kings Group business (across all operating entities and subsidiary Boards) with modern slavery risk identification and mitigation or risks in its operations and supply chains.

Merchandise and procurement team members have front line responsibility to engage with Endorsed Third-Party Brand and In-House Brand suppliers to identify and mitigate modern slavery risks.

Culture Kings has internal compliance processes in place to review and update supplier compliance with automated tracking of key dates for each supplier and review of supplier documentation and risk, with escalation procedures in the event of non-compliance and plans in place for remediation / corrective action plans and termination of supply arrangements if that proves necessary. Continuing work has and will be done to refine these processes.

6. Describe the process of consultation with any entities that the reporting entity owns or controls (Mandatory Criterion Six: Section 16 (1)(f))

The preparation of this statement was the subject of substantial cross functional input across the Culture Kings Group.

Further, a near final draft of this statement was provided to each director of each member of the Culture Kings Group (noting that most group entities do not have any employees themselves) for review. All feedback received from each director was taken into account in the preparation of this statement.

7. Include any other information that the reporting entity, or the entity giving the statement, considers relevant (Mandatory Criterion Seven: Section 16 (1)(f)).

Culture Kings has approached this reporting period with a view to continuous improvement in terms of its actions to address modern slavery risks.

Signing page

This statement was approved by the Board of CK Holdco Pty Limited on 24 June 2023 for and on behalf of CK Holdco Pty Limited and all members of the Culture Kings Group.

Signed by the responsible member of the principal governing body for the purposes of the Modern Slavery Act.

A handwritten signature in blue ink that reads "Jill Elizabeth Ramsey". The signature is written in a cursive style.**Jill Elizabeth Ramsey**

Director & Responsible Member

Dated: 24 June 2023

MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

CK Holdco Pty Limited

as defined by the *Modern Slavery Act 2018 (Cth)*¹ (“the Act”) on

24 June 2023

Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

CK Holdco Pty Ltd

as defined by the Act²:



By Jill Elizabeth Ramsey, Director and responsible member of the principal governing body,

for the purposes of the *Modern Slavery Act 2018 (Cth)*.

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory criteria	Page number/s
a) Identify the reporting entity.	1
b) Describe the reporting entity’s structure, operations and supply chains.	2-3
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	3
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	4-6
e) Describe how the reporting entity assesses the effectiveness of these actions.	6
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	6
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	6

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement ‘Do not own or control any other entities’ instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

¹ Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.

² Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.