

KMD BRANDS

Modern Slavery Statement **2025**

KMD Brands Modern Slavery Statement 2025

We recognise and pay respect to the Elders, past and present, and communities of the lands touched by KMD Brands. We recognise and acknowledge Indigenous Peoples across the world and their survival of practices that today are referred to as modern slavery, as well as the unresolved nature of these wrongs.

As a B Corporation (B Corp), KMD Brands Limited (KMD Brands) is committed to balancing profit with our impact on people and planet, including respecting internationally recognised human rights throughout our supply chain. KMD Brands entities take a consolidated approach to Environment, Social and Governance (ESG). As such, this is a joint statement made on behalf of KMD Brands Limited and the following KMD Brands controlled entities: Kathmandu Pty Ltd (ACN 007 047 547), Rip Curl Group Pty Ltd (ACN 068 999 520), Rip Curl Canada Inc, Rip Curl UK Ltd and Rip Curl, Inc.

This is the KMD Brands Modern Slavery Statement 2025, pursuant to its obligations under Australia's Modern Slavery Act 2018 (Cth), Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023, the United Kingdom's Modern Slavery Act 2015 and the California Transparency in Supply Chains Act (Steinberg, 2010). This statement covers the reporting period 1 August 2024 to 31 July 2025.

The principal address of KMD Brands Limited is 223 Tuam Street, Christchurch 8011, New Zealand. Australian Registered Body Number of KMD Brands Limited is 139 836 918.

You can report a suspected incident of modern slavery linked to KMD Brands via email to **workers.rights@kmdbrands.com**.

This statement was approved by the Board of Directors of KMD Brands on 24 September 2025 as principal governing body on behalf of each reporting entity covered by this Statement.

Contents

1. Our structure, operations and supply chain

2. Risks of modern slavery in our operations and supply chain
- **2.1** Geographic risk (tier 1 regions)
- **2.2** Product risk
- **2.3** Sector risk
- **2.4** Tier 2+ manufacturing, processing and production
- **2.5** Licensed products
- **2.6** Third party products sold by KMD Brands
- **2.7** Indirect products and services
- **2.8** Operational risks

3. Actions taken to assess and address the risks of modern slavery
- **3.1** Governance
- **3.2** Commercial practices
- **3.3** Due diligence controls: assessment and monitoring
- **3.4** Partnerships

4. How we assess the effectiveness of our actions

5. Consultation

6. Looking ahead

7. Appendix: How this statement addresses the reporting criteria

1. Our structure, operations and supply chain

Founded in New Zealand as an outdoor apparel and equipment retailer in 1987, KMD Brands became a publicly listed company in 2009. KMD Brands is publicly listed on the New Zealand and Australian stock exchanges. KMD Brands is a group of three brands: Kathmandu, Oboz and Rip Curl. KMD Brands is headquartered at 223 Tuam Street, Christchurch, New Zealand.

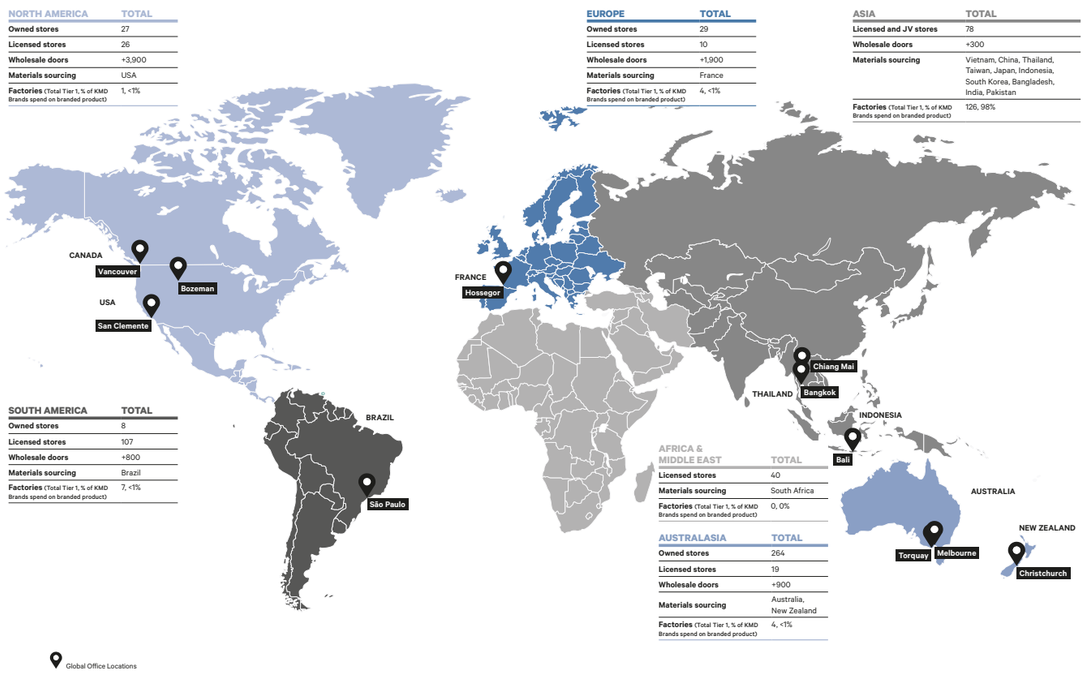
Kathmandu, Oboz and Rip Curl products are distributed via online websites and at wholesale and retail levels. Rip Curl products are also distributed through Rip Curl's owned and operated chain of Ozmosis branded stores.

Kathmandu designs and manufactures outdoor apparel, footwear and equipment sourced from factories in Bangladesh, China, Indonesia, Italy, New Zealand, Spain and Vietnam. Oboz designs and manufactures outdoor footwear sourced from factories located in Vietnam and China. Rip Curl designs and manufactures surf apparel and accompanying products, as well as sponsoring athletes and surfing events. Rip Curl products are manufactured in factories in Australia, Bangladesh, Brazil, Cambodia, China, France, India, Indonesia, Thailand, the United States of America and Vietnam. The Rip Curl brand is licensed to eight regional licensees operating in Argentina, Chile, Fiji, Japan, Malaysia, Papua New Guinea, Peru, Singapore, South Africa and Uruguay. The brand is also licensed to global merchandise licensees in eyewear, watch bands, auto accessories, beach accessories and denim.

Please refer to the figure below for a breakdown of the number and location of office locations, stores, materials sourcing and factories. Kathmandu, Rip Curl and Oboz factory lists are also publicly available on **Open Supply Hub**.

As of 31 July 2025, KMD Brands employs 4,721 employees. Please see pages 5-6 of **GRI & SASB Index 2025** for breakdown by age, employment type and region.

GLOBAL FOOTPRINT



NORTH AMERICA	TOTAL
Owned stores	27
Licensed stores	26
Wholesale doors	+3,900
Materials sourcing	USA
Factories (Total Tier 1, % of KMD Brands spend on branded product)	1, <1%

EUROPE	TOTAL
Owned stores	29
Licensed stores	10
Wholesale doors	+1,900
Materials sourcing	France
Factories (Total Tier 1, % of KMD Brands spend on branded product)	4, <1%

ASIA	TOTAL
Licensed and JV stores	78
Wholesale doors	+300
Materials sourcing	Vietnam, China, Thailand, Taiwan, Japan, Indonesia, South Korea, Bangladesh, India, Pakistan
Factories (Total Tier 1, % of KMD Brands spend on branded product)	126, 98%

SOUTH AMERICA	TOTAL
Owned stores	8
Licensed stores	107
Wholesale doors	+800
Materials sourcing	Brazil
Factories (Total Tier 1, % of KMD Brands spend on branded product)	7, <1%

AFRICA & MIDDLE EAST	TOTAL
Licensed stores	40
Materials sourcing	South Africa
Factories (Total Tier 1, % of KMD Brands spend on branded product)	0, 0%

AUSTRALASIA	TOTAL
Owned stores	264
Licensed stores	19
Wholesale doors	+900
Materials sourcing	Australia, New Zealand
Factories (Total Tier 1, % of KMD Brands spend on branded product)	4, <1%

2. Risks of modern slavery in our operations and supply chain

KMD Brands implements an evolving due diligence framework to identify and mitigate potential risks in our supply chain that could be associated with or contribute to modern slavery. In this report, we use the term "modern slavery" to refer to forced labour and child labour. The actions we take to assess and address the risks of modern slavery in our operations and supply chain are outlined in Section 3. Inherent geographic, sector and product risks are integrated with supplier specific risks to inform individual facility risk profiles. The risk factors identified below may indicate increased vulnerability to modern slavery, though this does not necessarily mean modern slavery is occurring, or that these risks are present in our own operations. The boundaries between substandard working conditions and severe exploitation can sometimes be unclear. In some cases, exploited workers may recognise a lack of decent work but not identify themselves as victims of modern slavery. As such, we integrate modern slavery risk management within our wider human rights due diligence program and commitment to respect human rights.

2.1 GEOGRAPHIC RISK (TIER 1 REGIONS)

KMD Brands works with 142 tier 1 manufacturing suppliers to create Rip Curl, Kathmandu and Oboz branded products. We currently source less than 1% of products (by spend) from suppliers in regions with extreme risk of slavery (Cambodia) and approximately 98% of products from suppliers in regions with a high risk of slavery (Bangladesh, China, India, Indonesia, Thailand and Vietnam). Modern slavery is more prevalent in certain countries, including some of the locations we source from. The following geographic risk ratings are based on the Walk Free Foundation's Global Slavery Index **(Walk Free, The Global Slavery Index 2023)**.

EXTREME-RISK GEOGRAPHIC REGIONS

Cambodia

The apparel industry in Cambodia is characterised by high levels of excessive overtime, poor wages and poor health and safety conditions. Many workers are employed on short, fixed-duration contracts, used by employers to avoid paying maternity benefits and discourage union participation. Workers who attempt to join unions often face retaliation, including dismissal and bribes to quit union roles **(Human Rights Watch, 2022)**.

Considering these risks, KMD Brands only works with tier 1 suppliers in Cambodia with whom we have long, well-established relationships, and demonstrate strong internal compliance practices.

HIGH-RISK GEOGRAPHIC REGIONS

Bangladesh

In Bangladesh, poverty and social instability continue to present forced labour risks and monitoring of labour law enforcement is limited. Informal labour is widespread, with many workers lacking contracts and access to grievance mechanisms. Collective barganing is restricted and the right to strike is heavily regulated **(Clean Clothes Campaign, 2025; Human Rights Watch, 2023)**. During FY25, a severe gas shortage impacted many factories' production capacity and uncertainty regarding US tariffs led to order reductions. These events led to factory closures and widespread job losses. Many factories withheld wages, pushing workers into debt bondage or informal work **(Human Rights Watch, 2025; International Labour Organization, 2025)**.

We continue to monitor closely the welfare of workers in Bangladesh, supported via factory visits by Rip Curl's regional Manager. Strong relationships with our suppliers in Bangladesh assist in providing good visibility of working conditions, in many cases to tier 3 level due to the vertical nature of many of these suppliers. In FY25, we expanded our worker voice program to engage over 4,600 workers in Bangladesh regarding their working conditions. KMD Brands is also a signatory to the International Accord and Bangladesh Safety Program. All tier 1 factories manufacturing our branded products participate in the inspection, remediation and safety training programs.

China

Discriminatory government practices are a key contributor to modern slavery risks in China, including the internment of Chinese citizens of ethnic Turkic origin in the Xinjiang region and forced labour by prisoners incarcerated in China's regular judicial system. Limitations on traditional forms of collective bargaining continue to increase forced labour risk, with internal migrant workers particularly vulnerable to exploitation **(Anti-Slavery International, 2022)**. Increasing concerns over forced labour risks and geopolitical uncertainties are driving diversification of KMD Brands sourcing outside of China.

GRI 409-1

Kathmandu and Rip Curl tier 1 manufacturing facilities are predominately located in export-oriented centres that are under significant government and customer pressure to operate in a socially and environmentally responsible manner. KMD Brands engages a regional Manager who regularly visits factories in China to assess workplace compliance. We also continue to increase direct worker consultation and engage a China-based employee relations consultancy to mitigate these risks.

India

Bonded and child labour are prevalent in India. Gender and caste discrimination contribute to the exploitation and unsafe conditions experienced by marginalised groups **(Freedom United, 2023)**. The textile industry in Tamil Nadu has been reportedly exploiting young female workers under the Sumangali Scheme, a forced labour practice targeting poor, lower-caste families **(Oxfam, 2025; Solidaridad, 2012)**. Considering these risks, KMD Brands works with four tier 1 suppliers in India, each of whom we have partnered with for over 10 years. KMD Brands also engages a regional Manager who regularly visits factories in India.

Indonesia

The apparel and footwear industry in Indonesia is characterised by high levels of wage exploitation and the use of short-term or informal contracts, used by some employers to avoid obligations like severance payments, maternity leave or union recognition **(Asia Floor Wage, 2024)**. Subcontracting to suppliers with below standard labour conditions is common, as is verbal and physical harassment of workers **(Clean Clothes Campaign, 2021)**.

In recognition of this broader risk, Kathmandu works with three suppliers with strong human rights awareness and dedicated social and environmental teams. Rip Curl partners with two long-standing factories that are visited regularly by members of the Rip Curl Indonesia team. We also continue to increase direct worker consultation to understand and assess labour rights risks.

Thailand

Thailand is rated as high risk for modern slavery in the apparel sector. A large population of ethnic people continue to lack citizenship rights and are particularly vulnerable to abuse and exploitation **(Human Rights Watch, 2025)**. Rip Curl manufactures in three factories in this region. One is Onsmooth Thai, a certified B Corp factory owned by Rip Curl. Rip Curl has owned and operated this factory for 28 years. The second two are long-standing Rip Curl partners that are visited regularly by our internal production team.

Vietnam

The apparel and footwear industries in Vietnam present high modern slavery risk due to labour intensive production and reliance on low-cost, flexible labour. Excessive overtime and poor job security are prevalent within the sector, which increases the risk of forced labour **(International Labour Organization, 2025)**. Union affiliation remains tightly controlled by the state, limiting workers' bargaining power and ability to raise grievances **(Human Rights Watch, 2024)**. In FY25, we continued our worker engagement program to monitor these risks, surveying 1,348 workers in Vietnam regarding workplace conditions. The majority of factories engaged by Kathmandu, Rip Curl and Oboz in Vietnam are progressive partners with dedicated social and environmental teams that prioritise worker wellbeing. Oboz also has a representative office in Vietnam and factories are visited regularly by Oboz employees.

MEDIUM-RISK GEOGRAPHIC REGIONS

Brazil

Labour risk in Brazil is significant in relation to unauthorised subcontracting, freedom of association and child labour **(International Labour Organization, 2025)**. Migrant workers are particularly vulnerable to debt bondage, withheld wages, excessive working hours and poor working conditions **(Freedom United, 2025)**. Accelerating urbanisation has also resulted in an increase in modern slavery in the textile industry.

The Brazil region is a signatory to the ABVTEX certification association. Rip Curl's Global Office in Brazil works with factories that are audited for social and environmental performance under this scheme and subject to the **KMD Brands Code of Conduct**.

LOW-RISK GEOGRAPHIC REGIONS

Rip Curl and Kathmandu work with trusted, long-term supplier partners in Australia, France, Italy, New Zealand and Spain. Each have undergone third-party or internal social assessments and have been classified as low risk.

GRI 408-1, 409-1

2.2 PRODUCT RISK

Materials commonly used in KMD Brands apparel, footwear and equipment products include cotton, down, leather and neoprene.

Large amounts of the world's cotton are produced in countries with a high risk of forced labour, including Uzbekistan, Turkmenistan and the Xinjiang region of China **(Anti-Slavery International, 2023)**. Child labour and debt bondage are also key risks associated with cotton production in India **(Freedom United, 2025)**.

Forced labour is well-documented in leather tanneries in Bangladesh, China, India, Indonesia and Vietnam as well as in the rubber plantations of Indonesia and Thailand **(Anti-Slavery International, 2025; International Labour Organization, 2022)**.

Aluminium, titanium and steel are sourced to produce some hard goods and accessories products. Recent investigations have linked aluminium and titanium production to state-imposed forced labour in Xinjiang, China **(Global Rights Compliance, 2025)**. Natural fibres like merino wool and duck/goose down are not currently included on the US Department of Labor's List of Goods Produced by Child or Forced Labor.

The core ingredient in traditional wetsuits is oil or limestone-based neoprene foam. The former involves oil drilling and the latter limestone mining. Limestone neoprene and natural rubber foam are used in Rip Curl wetsuits. Extractive industries are at risk of modern slavery, in part due to driving migration that causes higher vulnerability to severe exploitation **(Walk Free, 2023)**.

2.3 SECTOR RISK

Within the apparel and footwear industries, the following factors have a major influence on modern slavery risk:

Unauthorised sub-contracting

The risk of involvement in modern slavery through the supply chain increases as supplier sub-contracting grows. Unauthorised subcontracting is common within the apparel industry in Bangladesh, China, Vietnam, and Indonesia **(Harvard Business School, 2021)**.

Reliance upon temporary or migrant workers

Workforces with high numbers of temporary, seasonal, or agency workers contribute to heightened worker vulnerability. These sectors also tend to depend on labour recruiters for their recruitment activities. This creates an additional layer of separation between employers and workers, leaving workers exposed to deceptive or coercive recruitment practices **(Human Rights Watch, 2019)**.

Complex and fast paced supply chains

Rapid turnaround times for production and the necessary flexibility to produce goods affected by shifting demand can drive worker exploitation. This may include long working hours and forced overtime during periods of high consumer demand.

There are increased risks associated with the difficulty of managing and monitoring a complex global supply chain. Workers are often isolated due to physical, cultural, technological and/or strategic isolation. They may have poor access to external grievance channels due to the difficulty faced by customers in gaining transparency of upstream operating environments **(Human Rights Watch, 2019)**.

Reliance upon low-skilled or unskilled labour

Unskilled work is typically low-paying and undervalued. These jobs often employ particularly vulnerable workers and marginalised individuals such as migrants and minorities. Unskilled or illiterate workers are also typically less aware of their rights than more skilled and better educated workers.

Substandard working and/or living conditions

The fast-paced, price sensitive nature of apparel production drives worker exposure to poor health and safety measures, verbal harassment and bullying. Workers may also be exposed to detrimental synthetic chemicals that are commonly used in apparel production **(Human Rights Watch, 2018)**.

Gender inequality

Within apparel and footwear supply chains, women remain at particular risk of human rights abuses, including forced labour and trafficking. Approximately 80% of the world's garment workers are women, who may be exposed to violence, including sexual harassment and abuse **(World Benchmarking Alliance, 2023)**.

GRI 408-1, 409-1

2.4 TIER 2+ MANUFACTURING, PROCESSING AND PRODUCTION

Our visibility of supplier operating environments beyond tier 1 varies by brand, product category and supplier structure. For example, we have good visibility within our wetsuit supply chain, but significantly less understanding of modern slavery risks in the production of materials we don't develop directly with input suppliers, such as lighting or surf hardware. The risks of modern slavery are more significant in areas where we lack a direct contractual relationship with input suppliers or have limited visibility. Our current monitoring and capacity building programs do not extend to all tier 2 suppliers, nor the input suppliers we are yet to trace. We recognise this increased risk, particularly in locations or industries characterised by poor labour practices.

In FY24, we became aware of alleged indicators of forced labour within two fabric mills and one dyeing facility connected to the KMD Brands supply chain in Taiwan. These included the payment of recruitment fees, threatened repatriation and restriction of movement. Throughout FY25, we have continued to collaborate with buyer groups on remediation, including sharing the cost of third-party assessment and support. We also joined 49 other global brands in urging the Taiwan Government to take actions to better protect foreign migrant workers in Taiwan's textile mills.

KMD Brands has limited visibility of raw material suppliers and our monitoring and capacity building programs extend to a few key producers. We are yet to reliably assess modern slavery risks at raw materials level across the Group and recognise that raw materials suppliers present significant modern slavery risk.

2.5 LICENSED PRODUCTS

Rip Curl has several external licensees, some of whom source all product from existing Rip Curl approved and monitored suppliers, while others have a license to produce independently. Rip Curl licensees are required to manufacture to an agreed standard, which includes compliance with the KMD Brands Code of Conduct and third-party social assessments. Independent manufacturing presents a risk due to lack of clear visibility and transparency of factories used, as well as poor compliance with evidence requirements by some external licensees.

Licensees operating in Argentina, Chile, Fiji, Malaysia, Peru, Singapore and South Africa are authorised to produce independently. These facilities are required to manufacture to an agreed standard under the license terms. The risk profile of these facilities varies based on location, agreement to the KMD Brands Code of Conduct, third-party oversight of operating conditions and length of supplier relationship.

Production in Fiji is completed in a single facility owned by the licensee. This facility has agreed to the KMD Brands Code of Conduct and completed an on-site assessment by Rip Curl's Head of Licensing. Production in South Africa is conducted in facilities with long-term relationships with the licensee and subject to workplace inspections by the Department of Employment and Labour. The licensee for South Africa also manufactures products in China in a factory that has been subject to third-party social monitoring. The licensee for Malaysia and Singapore manufactures a small number of units locally in a factory that has agreed to the KMD Brands Code of Conduct, and completed an on-site social assessment by the licensee.

Production in Chile, Peru and Argentina is of higher risk due to lack of robust third-party social assessments and higher inherent supply chain risk in these regions. The licensees for Chile and Peru manufacture products both locally and in China. 100% of disclosed facilities have agreed to the KMD Brands Code of Conduct. The licensee for Argentina manufactured products locally during the reporting period. This is likely to change in future due to a lift in import restrictions. 93% of facilities disclosed by Argentina have agreed to the KMD Brands Code of Conduct.

Global merchandise licensees in eyewear, watch bands, auto accessories, beach accessories and denim are required to manufacture to agreed social and environmental standards. We have visibility of tier 1 production of eyewear, auto accessories, beach accessories and denim. All facilities in these categories have agreed to the KMD Brands Code of Conduct and provided evidence of third-party social monitoring. We lack supply chain visibility for the production of watch bands under license.

2.6 THIRD PARTY PRODUCTS SOLD BY KMD BRANDS

Rip Curl, Kathmandu and Ozmosis retail stores sell products from third-party brands. KMD Brands does not currently conduct formal monitoring of third-party brands with modern slavery legislation, though social and environmental requirements are a condition of contracts signed in FY25.

2.7 INDIRECT PRODUCTS AND SERVICES

KMD Brands procures non-inventory products and services across the following categories:

- Marketing and advertising;
- Information technology;
- Freight and logistics;
- Retail operations (store fitout and consumables, postage, facilities management, loss prevention and utilities); and
- Support operations (professional services and office supplies).

We have identified the following categories as presenting medium or high-risk:

- Retail operations, focusing on store fitout, facilities management and loss prevention; and
- Supply chain, focusing on freight and logistics.

KMD Brands engages suppliers to provide fitout, maintenance and security across our extensive network of retail stores. Although many of our indirect suppliers are located in low-risk regions, unauthorised subcontracting, short-term engagements, underpayment of wages and poor occupational health and safety are features of these industries. There is also a high reliance on migrant workers within these sectors, who may be vulnerable to worker exploitation due to visa insecurity, non-standard operating hours and language barriers.

KMD Brands engages a third-party information technology service provider located in the Philippines. The business process outsourcing industry in the Philippines presents risks of labour exploitation, including excessive fees charged by recruitment agencies and excessive working hours. On-site due diligence was conducted as part of the engagement of our current provider.

We also use third-party international shipping providers. Worker isolation, substandard living conditions, poor access to grievance mechanisms and restriction of movement are risk factors in this sector. Workers may also be required to pay large recruitment fees to obtain employment **(United Nations Global Compact, 2022)**.

2.8 OPERATIONAL RISKS

KMD Brands operates in accordance with robust legislation in relation to employment rights and human rights in both Australia and New Zealand and is required by law to maintain internal best practices, systems and policies that support individual employees as well as facilitate protected disclosures. These policies and practices apply to activities globally across the Group. Group level controls in relation to recruitment, onboarding and support of international employees are managed by the human resources teams in the relevant regions. The **KMD Brands Code of Ethics** guides our behaviour and decision making.

3. Actions taken to assess and address the risks of modern slavery

3.1 GOVERNANCE

As a Group, we are consistently reviewing the regulatory landscape to inform and improve our due diligence program. Our program is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises Responsible Business Conduct (MNE Guidelines), current and emerging modern slavery and human rights due diligence legislation, import bans, and consumer and investor expectations. The KMD Brands ESG team is responsible for modern slavery risk management. Reporting to the KMD Brands Board on human rights and modern slavery progress occurs twice per year. The Board also approves ESG strategy and modern slavery reporting.

KMD Brands Workplace Code of Conduct

KMD Brands requires all suppliers of Rip Curl, Kathmandu and Oboz branded products to commit to uphold the KMD Brands Code of Conduct, allow workplace inspection by approved third parties and to remediate issues as they arise. The important aspects of our Code as it relates to modern slavery are transparency, employment relationship, non-discrimination, harassment or abuse, forced labour, child labour and freedom of association and collective bargaining. Suppliers must agree to comply with all relevant and applicable laws and regulations of the country in which workers are employed and to implement the KMD Brands Code of Conduct in their applicable facilities. Transparency is prioritised in relation to both owned and subcontracted facilities.

Modern slavery policies, procedures and internal training

KMD Brands has company policies that address modern slavery, including a Child and Forced Labour Policy and a Migrant Labour Policy. Our Child and Forced Labour Policy addresses potential remediation considerations, including measures to mitigate loss of income. New employees are trained in these policies as part of their orientation. Support office staff receive annual training aimed at increasing awareness of modern slavery risks and relevant KMD Brands policies. In FY25, an online human rights training module was offered to all support office, retail and distribution centre employees. The training was offered globally in six languages and completed by over 1,400 employees. 973 employees provided feedback and rated their understanding of key training outcomes on completion of the module. The results of this feedback are summarised in the table below.

Pre-sourcing assessments

KMD Brands has a comprehensive onboarding procedure for new suppliers which includes a mandatory social assessment. New suppliers are also checked against the Uyghur Forced Labor Prevention Act Entity List. In FY25, 100% of new tier 1 suppliers were screened using social criteria. Once new suppliers and factories have been selected, Kathmandu, Rip Curl or Oboz initiates the onboarding process which introduces our shared values alongside a Supplier Manual.

HUMAN RIGHTS TRAINING OUTCOMES

	NOT WELL AT ALL (%)	NOT VERY WELL (%)	SOMEWHAT WELL (%)	VERY WELL (%)	EXTREMELY WELL (%)
I understand what human rights are and why they're important	0.3	0	2.4	29.4	67.9
I understand KMD Brand's commitment to human rights and how these standards are important in everyday business	0.3	0.1	3	31.6	65.1
I know how our business practices may contribute to violations of human rights	0.6	0.7	5.1	33	60.5
I know where to find policies relating to modern slavery and reporting	0.7	2.2	11.7	32	53.4

GRI 408-1, 409-1, 414-1

3.2 COMMERCIAL PRACTICES

Purchasing of branded products

We understand the impact purchasing practices play on labour rights abuses within supply chains and that decent working conditions, increased worker productivity and long-term business competitiveness are interconnected. Genuine consultation and engagement with stakeholders play a key role in our efforts to balance the competitive manufacturing environment and our social and environmental expectations.

We recently released our revised internal Responsible Purchasing Policy which includes information on the Group's commitment to worker wellbeing and responsible production planning. In FY25, sourcing and merchandising teams globally completed a training module in responsible purchasing practices. This training was designed to ensure employees understand the actions that promote responsible purchasing, how planning and purchasing practices impact supplier working conditions, the importance of accurate forecasting, and their responsibilities in relation to the KMD Brands Responsible Purchasing Policy. This course was available in six languages and completed by 119 employees.

All brands have clear supplier terms of purchase that include agreement on detailed payment terms and process for factory exit. Production planning is a collaborative process by season that includes forecasts and mutual agreement for order modifications.

Long-term supplier relationships assist each brand in understanding and addressing risks of modern slavery with tier 1 suppliers. Each brand conducts regular reviews with suppliers, which includes a detailed social performance component that assists in identifying risks of modern slavery. In FY25, all tier 1 suppliers and nominated input suppliers were invited to provide formal feedback on our commercial terms, purchasing practices and barriers to social and environmental improvement.

Purchasing of third-party products sold by KMD Brands

Clauses relating to modern slavery and wider human rights considerations are included in KMD Brands standard terms for the purchase of goods.

3.3 DUE DILIGENCE CONTROLS: ASSESSMENT AND MONITORING

KMD Brands has a due diligence program to identify and assess human rights impacts in supply chains guided by the MNE Guidelines. The figure below outlines how we monitor compliance with human rights controls and manage human rights risk.

98% of tier 1 manufacturing suppliers (139) and 58 tier 2 and 3 suppliers have been subject to social assessments that include human rights criteria within a 24-month period. 7 were third-party audits commissioned by KMD Brands, 182 were third-party copy audits and 8 were conducted internally by KMD Brands. 96% of total audits were conducted by a third-party auditor. Accepted copy audits must meet our quality standards and verify compliance with the KMD Brands Code of Conduct and the FLA Workplace Code of Conduct. Accepted assessment types include the FLA Independent External Factory Assessment, verified Higg Facility Social and Labor Module, Better Work assessment via the Social and Labor Convergence Program and LRQA ERSA assessment. We also monitor public reporting on the geographic and product risk landscape.

We continue to use third-party audits to gain a high-level overview of social and environmental risk, particularly in relation to health and safety and compliance with government requirements. In FY25, we invested over $39,000 (NZD) in third-party social assessments of manufacturing sites. Audits have enabled us to identify potential modern slavery indicators relating to underpayment of workers, restriction of movement and recruitment fees. We recognise the limitations of audits in relation to facilitating long-term improvements and use them as one tool within our monitoring program. Where we commission a third-party audit, it is stressed to suppliers that our focus is on transparency and clear expectation of improvement where required, not tick-the-box compliance. Our commissioned audits are independent and either announced or semi-announced. Whilst we support suppliers to address potential or actual risk where required, if a supplier is unable to address a critical or major finding, we may terminate and exit in line with our Responsible Exit Policy. In FY25, no suppliers were exited for non-compliance.

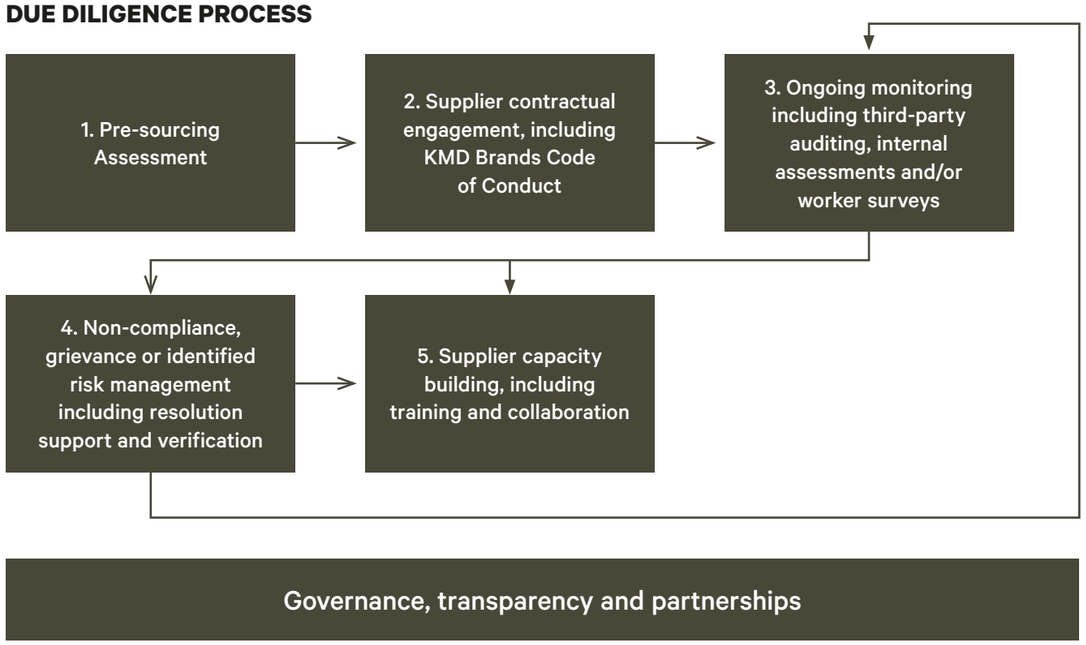
GRI 408-1, 409-1, 414-2

KMD Brands is a signatory to the Social and Labor Convergence Program (SLCP), a multi-stakeholder initiative facilitating the sharing of comparable, verified data about supply chain working conditions. As a signatory, we encourage the use of the SLCP's Converged Assessment Framework to eliminate factory audit duplication and redirect resources to improvement actions. Where we consider it necessary to commission an audit, we use LRQA's audit tool, which includes an occupational health and safety review, consultation with unions and worker representatives and an anonymous worker survey.

KMD Brands applies a risk-based approach to social assessments. We employ a range of assessment tools, including third-party audits, internal assessments, on-site visits and anonymous worker surveys across a 24-month cycle. When commissioning audits, we ensure facilities understand the purpose of the audit and how audit findings will be managed. This allows us to ensure that the assessment type is appropriate, respects supplier progress and that resources are targeted to addressing critical and major findings as part of wider capacity building priorities. We seek to work collaboratively with suppliers to address problems rather than using our buying power to enforce action.

We utilise advanced supply chain management software to support social and environmental risk management and traceability. This software supports our ability to manage corrective action plans, track performance improvement, analyse risk trends and increase visibility beyond tier 1. In FY25, we identified 1,173 non-compliances across our supply chain. These included indicators of forced labour, including high recruitment fees and withholding of wages. 8 tier 1 suppliers, 13 tier 2 suppliers and 2 external licensee suppliers were identified as having significant actual or potential negative impacts. Impacts identified were evidence of discrimination, excessive monthly overtime, lack of building structural safety, a factory and dormitory located in the same building, underpayment of workers, withholding of wages and charging of excessive fees or deposits. Of the suppliers identified as having significant actual or potential negative impacts, corrective action plans were agreed upon with 100% of tier 1 suppliers, 54% of tier 2 suppliers and 100% of external licensee suppliers.

DUE DILIGENCE PROCESS



We appreciate the need to better understand the causes of forced labour in supply chains from workers and use worker feedback to uncover practices such as substandard working conditions or underpayment. In FY25, KMD Brands continued to utilise technology developed by New Zealand company, AskYourTeam, to offer a real-time survey to workers relating to worker wellbeing and engagement.. We collected anonymous feedback from 12,505 workers across manufacturing facilities in Bangladesh, China, Indonesia and Vietnam. Workers at 31 factories provided feedback on a range of topics, from human rights to workplace health and safety, remuneration and worker aspirations. We identified risks relating to inadequate remuneration, sexual harassment and ineffective grievance mechanisms and are working with suppliers to address these concerns. We also conducted secondary surveys to assess the effectiveness of corrective actions by Rip Curl suppliers in China.

We rely on relationships and contractual terms with our tier 1 suppliers to gain visibility of upstream operations. All tier 1 suppliers agree to provide input supplier information and require equivalent social standards of these suppliers. While we do not require tier 1 suppliers to certify that materials incorporated into the product comply with modern slavery legislation, suppliers agree to prohibit modern slavery within their own supply chains and comply with labour laws in all countries in which they do business. In FY25, 161 facilities beyond tier 1 were disclosed via Open Supply Hub, of which 71% have agreed to the standards of the KMD Brands Code of Conduct. KMD Brands prioritises sourcing from input and raw materials facilities that hold accreditations encompassing social and environmental criteria including bluesign®, ZDHC, OEKO-TEX, ISO14001 and ISO45001, Better Cotton, Responsible Down Standard (RDS), Responsible Wool Standard (RWS), Global Organic Textile Standard, Organic Content Standard, Global Recycled Standard.

Grievance process

KMD Brands supplier agreements with tier 1 suppliers require a functioning grievance procedure at tier 1 factories and worker access to KMD Brands confidential channel. Our grievance channel is displayed on all KMD Brands Codes of Conduct.. In China and Vietnam, there are additional channels in the form of links to the social media platforms used by workers. A WeChat (China) or Zalo (Vietnam) QR code is included on Codes of Conduct displayed in tier 1 factories in these countries. Workers are also able to raise concerns during confidential interviews conducted during on-site social assessments. In FY24, we published a revised KMD Brands Grievance Handling Procedure for Supply Chains in line with the UNGPs. We also share annually a Factory Guidance Document on Grievance Mechanisms in Supply Chains to support suppliers in ensuring the effectiveness of internal grievance mechanisms. In FY25, we investigated four grievances raised through our external mechanism. Two were lodged by supply chain workers and two by internal employees. All supply chain grievances have been investigated and closed.

Transparency

Making our own supply chain more transparent is a central part of our due diligence program. We publish three tiers of supply chain data via the Open Supply Hub. Open Supply Hub is an open-source, neutral and publicly accessible database. Every tier 1 facility making KMD Brands product can be identified and located on a global map, where it is accessible to unions, workers and consumers.

3.4 PARTNERSHIPS

KMD Brands focuses on building long-term, mutually respectful relationships with suppliers that share our values. These relationships are supported by investing in training and education, providing support for remediation, engaging in research and taking the time to understand suppliers' strengths and challenges in relation to human rights risk.

Training

In FY25, KMD Brands supported an in-person training workshop for suppliers located in China. This workshop was delivered by a China-based consultancy and was designed to support suppliers to integrate gender perspectives into occupational health and safety systems and assess psychological risks (following the release of China's first national standard for psychosocial risks).

We also completed our first program with Awaj Foundation, a grassroots labour rights organisation in Bangladesh. Awaj Foundation delivered a women's empowerment program to 240 female workers employed by a long-term Rip Curl supplier, covering financial management, health, leadership, rights awareness and negotiation.

In FY25, KMD Brands invited all tier 1 suppliers and nominated tiers 2 and 3 suppliers to provide anonymous feedback on training priorities relating to social and environmental topics. We also engaged 14 suppliers in China during on-site visits to understand their modern slavery risk management practices and training needs.

Tracking remediation

KMD Brands monitors and supports suppliers to remediate critical and major findings from factory assessments. The Corrective Action Plan (CAP) process is a collaborative process between the facility, KMD Brands, and the relevant brand. Addressing findings via the CAP process is an expectation that is shared with suppliers during the onboarding and audit process. We recognise the limitations of the CAP process in improving working conditions and request an additional root cause analysis for critical issues.

Empowering workers to protect their own rights

KMD Brands remains a signatory to the International Accord. The Accord is focused on ensuring workplace safety for garment workers in Bangladesh and Pakistan. Unlike traditional multi-stakeholder initiatives, the terms of the Accord are legally binding between brands and trade unions. As a signatory, we are supporting the active engagement of workers through training that includes awareness of rights and an accessible complaints mechanism. The factories we source from in Bangladesh are frequently inspected under the Accord initiative and covered by elected participatory committees consisting of workers and managers.

Freedom of association remains a concern in several KMD Brands sourcing countries. In China, Laos and Vietnam, independent union participation is restricted. In Thailand, migrant worker union participation is restricted and in Bangladesh, workers in the Special Economic Zone do not have the right to freedom of association **(ITUC, Global Rights Index 2025)**. To support rights to exercise freedom of association and collective bargaining, KMD Brands focuses on supplier relationships and emphasises a zero-tolerance approach to violation of the right to exercise freedom of association. We also prioritise anonymous feedback channels and robust grievance mechanisms.

Collaboration

KMD Brands is engaged in several multi-stakeholder initiatives that are valuable in generating ESG-related dialogue and supporting collaboration on remediation. We also responded in full to enquiries received from the non-government organisation Transparentem.

External collaboration in FY25 included:

THE INTERNATIONAL ACCORD

The International Accord is a set of legally binding agreements between global unions, IndustriALL and UNI Global Union, and signatory brands and retailers with the purpose of ensuring health and safety within garment factories. The Accord covers over 1,600 factories in Bangladesh and provides an independent enforcement body that manages factory inspections and upgrades, and engages workers to help identify instances of workplace violations. KMD Brands is a signatory to the International Accord for Health and Safety in the Textile and Garment Industry and the Bangladesh Agreement on Health and Safety in the Textile and Garment Industry.

FAIR LABOR ASSOCIATION (FLA)

KMD Brands is an accredited member of the Fair Labor Association, a collaborative effort of socially responsible companies, colleges and universities and civil society organisations. We use FLA tools and resources including the FLA Fair Compensation Dashboard and independent assessments within our supply chain. The FLA also provides guidance on how to address modern slavery risks, including responsible recruitment guidance, benchmarks of best practice and forced labour indicators.

In FY25, KMD Brands worked with the FLA on a living wage pilot in Bangladesh, attended a joint American Apparel and Footwear Association/FLA brand delegation in Bangladesh focused on improving worker rights, and joined other FLA members as signatory to a letter to the Government of Taiwan calling on Taiwan to ensure that responsible business practices are applied in the recruitment of migrant workers. We also participated in the voluntary FLA Milestone 5 Reporting Framework pilot.

CASCALE

KMD Brands is a member of Cascale, an alliance of apparel, footwear and textile companies working together to further sustainable production. Our membership requires a commitment to supply chain social and environmental monitoring, transparency, sharing best practice and making meaningful improvements. Our progress is assessed each year, both by Cascale and via the Higg Brand Retail Module (BRM).

EMPLOYMENT INJURY SCHEME (EIS) PILOT

KMD Brands is supporting the Bangladesh Employment Injury Scheme Pilot, implemented by the International Labor Organization and the German Corporation for International Cooperation GmbH. We have made a voluntary financial contribution to support the creation of the first national employment injury social insurance for ready-made garment (RMG) workers in the country.

This initiative covers 4 million workers, including workers at all RMG factories manufacturing on behalf of KMD Brands.

SOCIAL AND LABOR CONVERGENCE PROGRAM (SLCP)

KMD Brands is a signatory to the SLCP multi-stakeholder initiative that facilitates the sharing of comparable, verified data about supply chain working conditions. This partnership helps to reduce factory audit duplication and redirect resources to improvement actions. In FY25, we engaged with the SLCP to provide feedback on the new Converged Assessment Framework, a tool developed by SLCP signatories to assess working conditions in facilities.

GRI 407-1, 409-1

GRI 409-1

4. How We Assess the Effectiveness of Our Actions

Rip Curl, Kathmandu, Oboz and Onsmooth Thai are all certified B Corporations. Our approach to ESG and associated actions are independently assessed by the relevant B Lab offices responsible for certification. KMD Brands practices relating to forced labour, social monitoring and compliance are also annually assessed and independently monitored by the FLA.

The effectiveness of our program and quality of disclosure is assessed by civil society organisations, including as part of the Baptist World Aid Ethical Fashion Report and the Textile Exchange Material Change Index. We also continue to work with Oxfam Australia in its independent assessment of our performance relating to our commitment to living wages, supply chain transparency, gender policy and freedom of association.

We have a strong commitment to continuous improvement. This is reflected in the linking of KMD Brands debt finance facilities to our performance against key sustainability indicators including supply chain monitoring. Our broader progress is also assessed through the Higg BRM and benchmarked against other BRM users.

We also review our processes and performance internally, including via reporting to the Board on key metrics, reviewing monitoring trends and analysing supplier and employee feedback. Metrics relating to our internal assessment of accountability, transparency and worker engagement can be accessed in the **Our Partnerships section** of our Annual Integrated Report.

5. Consultation

KMD Brands ESG team members, sourcing teams and leaders from all brands were consulted throughout the creation of this statement. ESG is a Group function at KMD Brands. There are team members based in Torquay (Rip Curl head office), Hossegor (Rip Curl Europe office), Christchurch (Kathmandu head office) and Bozeman (Oboz head office). There is strong consultation at brand level to ensure strategic alignment and effective implementation. Our approach to human rights due diligence is defined at a Group level, drawing on the expertise and experience of brand level employees.

The KMD Brands, Kathmandu, Rip Curl and Oboz teams collaborate extensively on our Annual Integrated Report and B Corp certification, which necessitates consultation around our ESG initiatives, including our shared response to modern slavery.

6. Looking Ahead

KMD Brands remains committed to action that reduces the risk of vulnerability to modern slavery. In FY26, we will continue to revise our due diligence program to ensure it is responsive to changing contexts and exert meaningful pressure to improve working standards within our supply chain. We will continue to prioritise responsible purchasing practices that support positive working conditions such as timely communication with suppliers and mutually agreed ordering patterns. We will also continue to incorporate formal supplier feedback on our purchasing practices into internal training.

Our participation in the FLA initiative remains important and we will continue to collaborate in advocating to address the structural challenges that enable modern slavery. We recognise the role fair compensation plays in mitigating modern slavery risk and will continue to analyse the status of wages in our supply chain. This analysis is supported by the FLA's fair compensation resources.

7. Approval and Attestation

In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Act), and in particular section 11 thereof, I attest that I have reviewed the information contained in the report on behalf of the governing body of the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed within this report.



Date: 24/09/2025

Brent Scrimshaw

Group CEO and Managing Director

I have the authority to bind KMD Brands Limited.

Appendix I.
How this statement addresses the reporting criteria

The following table identifies where each reporting criterion is disclosed within this Statement.

REQUIREMENT	REFERENCE IN THIS STATEMENT
A description of the organisation's structure, operations, activities and supply chains, including consultation with any linked organisations covered by this statement.	Organisation and supply chain structure: page 1; section 1, page 3 Supply chain understanding: section 2.4, page 7 Products, sectors and services; direct and indirect suppliers: section 1, page 3 Modern slavery risk management governance: section 3.1, page 9 Information gathering: section 5, page 15 Stakeholder engagement: section 3.4, pages 12 – 14 Continuous improvement: section 6, page 16
A description of the organisation's policies in relation to modern slavery, forced labour and child labour.	Internal operating policies; international standards: section 3.1, page 3 Stakeholder engagement: section 3.1, page 9; section 3.2, page 10 Communication and enforcement: sections 3.1 – 3.3, pages 9 – 12 Purchasing policy improvements; continuous improvement: section 3.2, page 10
A description of any risk management processes in place to assess and address the risk of modern slavery, forced labour and child labour practices in the reporting organisation's supply chains.	Risk assessment frequency; risk assessment governance; identifying and assessing risks: section 3, pages 9 - 12 Highest priority risks to workers: section 2, pages 4 – 8, section 3.3 pages 10 – 12 Stakeholder engagement: section 3, pages 10 - 14
A description of the organisation's due diligence processes in relation to modern slavery, forced labour and child labour in its supply chains. In addition, a description of any measures taken to remediate any instances of modern slavery, forced labour and child labour in its supply chains.	Prevention and mitigation; human rights due diligence approach; remediation policies and processes: section 3, pages 9 – 14 Supplier and worker engagement: sections 3.3 and 3.4, pages 12 – 14 Grievance mechanisms: section 3.3, page 12; section 3.4 page 13 Incidents of modern slavery: section 2.4, page 7; section 3.3, page 11 Business model: section 2.3, page 6; section 2.5 page 7; section 3.3, page 10 Stakeholder engagement: section 3.4, pages 13 – 14 Continuous improvement: section 6, page 16
A description of the training provided to employees on modern slavery, forced labour and child labour.	Internal and external training; training programme materials; training package development: section 3, pages 9 – 14 Continuous improvement: section 3, pages 9 – 14; section 6, page 16
A description of how the organisation assesses the effectiveness of the actions it has taken to prevent and respond to modern slavery, forced labour and child labour, and its due diligence processes.	Goal setting; monitoring and evaluation governance: section 3.1, page 9 KPIs; use of data; evidencing outcomes; utilising findings; success stories; stakeholder engagement; continuous improvement: section 3, pages 9 – 12; section 4, page 15

Kathmandu®

Obōz®

RIP CURL

KMD BRANDS

KMDBrands.com