

KATHMANDU HOLDINGS LIMITED

Sustainability Report 2019


Kathmandu®
World ready.

Obōz®
FOOTWEAR
TRUE TO THE TRAIL™

Inspiring adventure is what inspires us.

The people who make up
Kathmandu are travellers and
adventurers from all over the globe.
From our beautiful, untamed home
New Zealand, we go out into the
world with a purpose at heart.

Whakaoho te Manarau I roto ia tātou

*To inspire and equip the
adventurer in all of us.*

Since 1987, we've been
engineering gear to equip
adventurers around the world
in their quest to discover.
Our passion is to inspire
everyone to feel the thrill of
travel and adventure.
Nothing enriches us like
exploring our planet, which is
why caring for it is at our
core. We strongly believe

in sustainable product
development and doing
business ethically. We're
focused on minimising
environmental impact, and
look to contribute to the
wider community.
We believe we have
an opportunity, and
responsibility,
to help create a better world.

Na tātou – nga kaitiaki o te Ao

*We need to care for this
world together*



Our top 5 sustainability highlights.

At Kathmandu, sustainability isn't a department, it's a way of doing things. Here are some of our highlights from this year.



BECAME **A CERTIFIED B CORP**, MEETING THE HIGHEST VERIFIED STANDARDS OF SOCIAL AND ENVIRONMENTAL PERFORMANCE



SCORED AN 'A' IN THE ETHICAL FASHION REPORT TWO YEARS RUNNING



RANKED SECOND IN THE TEXTILE EXCHANGE REPORT THREE YEARS RUNNING



LAUNCHED OUR NEW 'BEST FOR THE WORLD' FIVE YEAR SUSTAINABILITY PLAN



RECYCLED **9.3 MILLION** PLASTIC BOTTLES INTO OUR GEAR

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Chairman's and CEO's report.



DAVID KIRK
CHAIRMAN



XAVIER SIMONET
CHIEF EXECUTIVE OFFICER

Our biggest news in sustainability this year is the announcement that Kathmandu has become the largest company in Australia and New Zealand to join the B Corp movement.

Certified B Corporations commit to using business as a force for good to create a more sustainable and inclusive economy.

The certification measures performance in five categories: governance, workers, customers, community and the environment.

Sustainability has always been part of the Kathmandu DNA, and this milestone reflects the hard work our teams have done over the years to improve the lives of people in our supply chain and our community and the efforts we've made to lessen our impact on the planet.

This year, we released a five-year sustainability plan that pushes our efforts in all these areas even further. It includes our new social impact statement to positively impact the lives of 100,000 people through adventure and education.

The plan also challenges us to integrate the principles of circular economy throughout our business.

It's all part of our mission to inspire and equip the adventurer in all of us.

Business as a force for good.

Kathmandu has become the largest certified B Corporation (B Corp) in Australia and New Zealand.

We are proud to be the first publicly listed certified B Corp in New Zealand and the first outdoor apparel and equipment retailer in Australia and New Zealand to become one.

Kathmandu is part of a global ethical business movement driving a more sustainable and inclusive economy.

By harnessing the power of business, B Corps aim to use profits as a means to positive impacts for their employees, communities and the environment.

B Corp is an initiative from B Lab, a global non-profit movement of people using business as a force for good. The B Corp assessment process measures a company's performance in five categories: governance, workers, customers, community and the environment.

"The B Corp certification is a milestone achievement for the company and reflects Kathmandu's exceptional record in sustainability leadership, which has been fundamental to our success," says Kathmandu CEO Xavier Simonet.

"Sustainability is part of Kathmandu's DNA and is integral to our entire operation, from our supply chain to our materials and products and our operational footprint."

In the B Corp certification, Kathmandu was awarded high scores in the workers, environment and community sections. These scores reflect the work we've done in preferred fibres and materials as well as protecting the rights of employees in our supply chain.

Globally, there are more than 3,000 companies that have become certified B Corps after completing the certification process. There are nearly 300 certified B Corps in Australia and New Zealand, making it the fastest growing region per capita.

"Kathmandu's announcement as New Zealand's first B Corp-certified multinational retail business and Australasia's biggest B Corp is a significant milestone for Australia, New Zealand and the wider B Corp movement," says B Lab Australia & New Zealand CEO Andrew Davies.

"Certification is open to all sizes of business, and we are seeing increasing interest from large corporations across the world Kathmandu's certification sends an important signal for other big businesses to follow in their lead."

Certified



Corporation

Kathmandu meets the highest standards of positive social and environmental impact

Slavery is not history.

Did you know that there are more people in slavery now than at any other time in human history?¹ It's estimated that 40.3 million people are trapped or working against their will.²

As a criminal industry, the global profits from human trafficking are second only to the drug trade.³ Human trafficking accounts for approximately 25% of modern slavery.¹

The other 75% of modern slaves are hiding in global supply chains.¹ This is often in the form of debt bondage or debt slavery. This is when a person is forced to work to pay off a debt. It might start when a mother seeks a loan to provide resources for her children and then finds her entire family forced into labour for the ever-increasing loan. Attempts to escape are often met with violence.

The solution requires action from governments, NGOs and businesses.

The 2018 Global Slavery Index found 36 countries were taking steps to investigate forced labour in business or public supply chains, up from just four countries in 2016.

Australia was one of them. The Modern Slavery Act was passed by the Australian Government in October 2018.

From 1 July 2019, every company with revenues of AU\$100 million or more are required to track the risks in their supply chains. From 1 July 2020, these companies will be required to report their risks and what they are doing about it.

Kathmandu Corporate Social Response-ability Manager Gary Shaw says the legislation is a big step forward for reducing slavery.

"With 75% of modern slavery happening in the global supply chains of businesses, there is a huge

opportunity for businesses to make a dent in this problem," Gary says.

Gary has seen modern slavery and human trafficking firsthand. For eight years, he worked as a human rights investigator, going undercover in 13 countries to help rescue enslaved people and facilitate the prosecution of the perpetrators.

"Right now, less than 2% of people in slavery are liberated and their perpetrators held accountable.³ This rate shows that governments and NGOs working on this problem are not going to address this issue without the help of the private sector. The Australian Modern Slavery Act creates the opportunity for collaboration between businesses, governments and NGOs."

Gary says the Act will mean all large businesses will have to become more aware of the risks.

"Initially, it might be confronting for some businesses who have just assumed that their supply chain is free of slavery. A lot of people assume that slavery ended in the 1800s. When they start to look, they might be surprised to find that their supply chain includes high-risk industries or product lines that cause, contribute or are directly linked to modern slavery."

Gary is hopeful about the response that will come from more open reporting.

"The aim is not to say that you don't have slavery in your supply chain. The legislation is encouraging companies to report where they identify those risks so that they can be addressed," Gary says. "Allowing businesses to discuss slavery risks in the open without fear of shame or criticism will allow for the collaboration necessary to shut it down."

75% of modern slaves are hiding in global supply chains.

For Kathmandu, this meant ensuring our supply chain was transparent and that our workers had a voice. We worked in partnership with our suppliers and in collaboration with other brands to proactively address such risks.

At the heart of the Kathmandu approach to human rights in the supply chain is the brand statement – to inspire and equip the adventurer in all of us.

"That includes the people who make our gear and to inspire adventure presupposes that you have the freedom to adventure in the first place."

1. The Mekong Club, Oct. 2019, themekongclub.org

2. International Labour Organization and Walk Free Foundation. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, 2017, pp. 1–68. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf

3. United States Department of State. Trafficking in Persons Report. US Department of State Publication Office, June 2017, pp. 1–454 <https://www.state.gov/wp-content/uploads/2019/02/271339.pdf>



A worker at one of our supplier factories outside of Ho Chi Minh City, Vietnam.



“We felt we had a responsibility to help people think more deeply about their impact.”

PAUL STERN
GENERAL MANAGER
MARKETING AND ONLINE



A local Nepalese man outside a waste incinerator. Burning of waste surges in Nepal during peak tourism seasons.

Helpful or harmful.

Travel and tourism is a US\$8 trillion industry and the largest employer on Earth. But as Elizabeth Becker writes in *Overbooked*, “Travel and tourism has become a behemoth, capable of doing great good and great damage.”

As part of our World Ready brand proposition last year, we decided to take some responsibility to educate travellers and address some of the impacts of travel.

Helpful or Harmful is a report and documentary series commissioned by Kathmandu and released last year.

Research commissioned by Kathmandu found a third of Aussies and half of Kiwis think of themselves as the best travellers in the world, yet only 20% of us make an effort to spend our money to benefit local people.

To help travellers match their actions with their intentions, the *Helpful or Harmful* report shines a light on

harmful effects of tourism and provides education about how individual travellers can be more helpful in the choices they make when travelling.

The report looks at a problem called “tourism leakage”. This is when companies in developed nations take more profit from travellers than the less-developed destinations, which still have to absorb the costs.

The report found that, on average, for every US\$100 spent by a tourist from a developed country, only US\$5 stays in the developing destination country’s economy.

Tourism can also be harmful when it overloads infrastructure, damages nature, alienates local residents or threatens culture and heritage.

These ideas were explored by investigative journalist Jan Fran, who travelled to three areas impacted by tourism to shine a light on these

issues in the three-part documentary series. The films explored the impacts of tourism in Bali, Nepal and Australia.

Kathmandu General Manager Marketing and Online Paul Stern says the series and report were designed to educate customers and the public on how to have a more positive impact.

“It’s part of our purpose to inspire people to go travelling, but we felt we also had a responsibility to help people think a bit more deeply about their impact.”

This content reached millions of people. It sparked discussion on social media – with many people grateful to learn more about how they could be more helpful.

The second phase of this project will launch this year to include markets beyond Australia and New Zealand.

HARMFUL EFFECTS OF TOURISM



ALIENATED LOCAL
RESIDENTS



DAMAGE TO
NATURE



OVERLOADED
INFRASTRUCTURE



DEGRADED TOURIST
EXPERIENCE



THREATS TO
CULTURE & HERITAGE

WAYS TO BE HELPFUL



PURIFY YOUR OWN
WATER



GET OFF THE
BEATEN TRACK



LEARN SOME LOCAL
LANGUAGE



CHOOSE LOCAL,
ETHICAL OPERATORS



OFFSET YOUR
FLIGHTS



Nepalese expedition guide Chhiring Sherpa takes a break while hiking in Nepal.

Our journey.

Ta m a t o u r e r e n g d i .

We're aiming to be best for the world.

“Our new sustainability action plan is not about Kathmandu being the Best in the World. It’s focused on making the best decisions for the world.”

OLIVIA BARCLAY
BRAND MANAGER

Four years ago, the United Nations released a roadmap for ending poverty, fighting injustice and tackling climate change by 2030. The Sustainable Development Goals address the most pressing challenges of our time, including climate change, resource depletion, poverty and social justice – aiming to help everyone from governments and businesses to citizens to transform our world by stimulating actions that benefit people and the planet.

These 17 global goals have defined the agenda for good business – because all businesses will benefit from more resilient communities, reliable access to natural resources and a healthy population.

Although we’re proud of the work we’ve done already, we know that doing our part for sustainable development will require us to keep trekking this path. Understanding where we are is the first step.

This year, we brought in Drs Brian and Mary Nattrass of Sustainability Partners to review our sustainability strategy and initiatives. Based in Canada, Brian and Mary are global leaders in sustainability, having worked with some of the world’s biggest brands.

After a comprehensive review of our current practices and strategies, Brian and Mary’s report showed that, although we are a leader in Australasia and we stack up with global leaders on material choices and human rights, we still have room to improve compared to global competitors in some areas – particularly around our environmental footprint, governance and social impact.

The report strongly advised Kathmandu to invest in these areas.

Both Brian and Mary emphasise one thing. “Our vision for Kathmandu is to be a bright, shining voice of human rights coming out of the southern hemisphere – and they can do it at home as well as around the world. They can do it with that Kathmandu spirit of adventure and do it in an active way. There is a real opportunity for Kathmandu to lead in the people space, generating truly positive social impacts.”

SOCIAL IMPACT

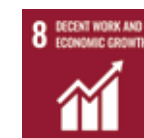
Empower our community to positively change 100,000 lives.

ACTION POINTS

Through collaboration, our partners, suppliers and Summit Club members will strive to:

- improve the standard of living and working conditions for 50,000 workers in our supply chain
- provide 30,000 Nepalese people with access to quality education
- give 10,000 Summit Club members access to volunteering and outdoor adventure
- provide 10,000 disadvantaged youth with outdoor education
- proactively address modern slavery within our industry
- enhance worker wellbeing through mindset transformation training.

SDG



TEAM

All Kathmandu team members embody the company purpose and values.

ACTION POINTS

provide all team members access to programmes that align with the company's purpose.

Rank in the top quartile of high performance for employee engagement.

be a leader in diversity and inclusion.

SDG



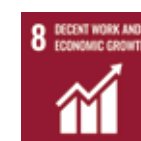
SUPPLIERS

All direct suppliers across our business meet our minimum expectations on their social and environmental impacts.

ACTION POINTS

Ensure all suppliers across our entire business are subject to measuring and improving their social and environmental impact.

SDG



PRODUCTS

100% of products designed, developed and manufactured using elements of circularity principles.

ACTION POINTS

Define our own unique circularity principles.

SDG



GOVERNANCE

Become a leading global B Corp using our business as a force for good.

ACTION POINTS

Become a leading certified B Corp with an impact score of >120.

FOOTPRINT

Net zero environmental harm from our business.

ACTION POINTS

Operate only zero-waste facilities.

Set science-based targets to combat climate change.

Operate with a net zero carbon footprint.

Have 100% sustainable packaging materials by 2025.

SDG



CIRCULAR

Integrate circular economy principles within the business.

ACTION POINTS

Establish recommerce and rental business models that support and drive circular economy solutions.

SDG



A NEW FIVE-YEAR PLAN

After a comprehensive review by Kathmandu, we have created a five-year plan – Best for the World.

This new plan takes the recommendations from the Sustainability Partners review and groups them into three pillars: people, planet and practice.

BEST FOR PEOPLE

This pillar covers all the people in our network – from the 50,000 people in our supply chain to our 2,000 employees as well as our customers and our wider community. This year, we created our social impact statement that sums it all up. Our 2025 aspirational goal is to empower our community to positively change the lives of 100,000 people. We'll inspire and equip people to discover their potential through education, personal development and wellbeing.

To achieve this goal, we'll take action over the next five years to improve the standard of living and working conditions for people in our supply chain. We'll help our partners provide 30,000 Nepalese people with access to high-quality education. We'll give 10,000 Summit Club members access to outdoor adventure and volunteering opportunities with free events.

For our team, we are aiming for 100% of team members to embody the company purpose and values. That means we will be a leader in diversity and inclusion and will rank in the top quartile for employee engagement. It will also mean staff have access to programmes that align with the company's purpose.

BEST FOR THE PLANET

This pillar sees a big shift towards circularity principles. The Ellen MacArthur Foundation describes the three principles of a circular economy as designing out waste and pollution, keeping products and materials in use and regenerating natural systems. For Kathmandu, this means applying these principles to the way our products are designed, developed and manufactured. Our goal is to have 100% of our products designed, developed and manufactured using elements of circularity principles.

Our waste and carbon footprint are another part of our impact on the planet. Our aspirational goal for 2025 is to have zero environmental harm from our business operations. To get there, we'll need to become carbon zero, operate zero-waste facilities and look at how we can remove waste from our supply chains.

BEST FOR THE WORLD IN PRACTICE

In this pillar, we focus on governance and widening the circular economy principles to the whole business. This year, as part of our goal to use our business as a force for good, we became a certified B Corp. This means Kathmandu meets the highest verified standards of positive social and environmental impact. Our five-year goal is to become a leading B Corp by lifting our assessment score from 83 points to more than 120.

The executive team and wider leadership team will have training and accountability for sustainability performance. A sustainability governance structure will provide clear performance accountability for all of our sustainability and community impact strategies.

For the whole organisation to shift to circular principles, we'll need to clearly define what our own circularity principles are across the organisation. From there, we'll be able to experiment with internal business models that drive circular economy solutions. These might be recommerce, repair or rental business models.



BEST FOR THE WORLD OUR 2025 SUSTAINABILITY GOALS



INTEGRATE CIRCULAR ECONOMY PRINCIPLES WITHIN OUR BUSINESS



BECOME A LEADING GLOBAL CERTIFIED B-CORP



100% OF PRODUCT DESIGNED, DEVELOPED & MANUFACTURED USING CIRCULARITY PRINCIPLES



NET ZERO ENVIRONMENTAL HARM FROM OUR BUSINESS



EMPOWER OUR COMMUNITY TO POSITIVELY CHANGE 100,000 LIVES



ALL KATHMANDU TEAM MEMBERS EMBODY THE COMPANY PURPOSE AND VALUES



ALL SUPPLIERS MEET OUR MINIMUM EXPECTATIONS ON THEIR SOCIAL AND ENVIRONMENTAL IMPACTS

A little help from our friends.

Every explorer knows that a journey is better with someone by your side. As we continue the journey of sustainability, industry partnerships provide important support – resources, information and frameworks.

“B Corps form a community of leaders and drive a global movement of people using business as a force for good.”

B CORP COMMUNITY



B CORP

Certified B Corporations® (B Corps™) are for-profit companies that use the power of business to build a more inclusive and sustainable economy.



OUTDOOR INDUSTRY ASSOCIATION

We participate in OIA's Sustainability Working Group, a collaborative platform of more than 300 outdoor brands and suppliers working together to identify and implement better business practices.



SUSTAINABLE APPAREL COALITION

Membership of the SAC gives us access to the Higg Index modules. We've been using the index since 2014, which supports our sustainability strategy. The index guides us on the environmental and social impacts of our products and how we can improve.



FAIR LABOR ASSOCIATION

We became the first brand in the southern hemisphere to achieve FLA accreditation. This verifies that our social compliance programme in our supply chain exceeds the most stringent global standards.



BLUESIGN®

Our bluesign® system partnership supports our chemicals management programme, materials and products so that they are environmentally and socially friendly.



TEXTILE EXCHANGE

Our membership with the Textile Exchange supports our materials strategy, and we also participate in their Preferred Fiber & Materials Market Report.



CANOPY

We have been partners with Canopy since 2016. We work with them to use our influence in our fabric supply chain to protect the world's remaining ancient and endangered forests and endangered species habitat.



LEATHER WORKING GROUP

Our work with the LWG helps us to assess the environmental compliance and performance capabilities of our tanneries and to promote sustainable and appropriate environmental business practices within the leather industry.



GREEN BUILDING COUNCIL AUSTRALIA

Our membership with the GBCA supports our green building programme. We also work in collaboration with this organisation in trialling new projects.



CARBON DISCLOSURE PROJECT

We submit an annual report to the CDP, which supports our carbon measurement and reduction programme.



ENVIRO-MARK SOLUTIONS

Our membership with Enviro-Mark Solutions helps us to measure, manage and reduce our carbon footprint.



AUSTRALIAN PACKAGING COVENANT ORGANISATION

We submit an annual report to the APC, which supports our packaging and waste strategy.



AUSTRALIAN HIMALAYAN FOUNDATION

We have been partners with the AHF since 2011. We work with the AHF to support communities in Nepal, the nation that inspired our brand.



HIMALAYAN TRUST NEW ZEALAND

We have partnered with the Himalayan Trust to further improve outcomes in education in remote rural Nepal.



ELEVATE

Elevate Limited is our chosen supply chain partner and an industry leader in sustainability, auditing and improvement services.

Our world.



KEY



Factories

101 TOTAL

China – 80
Vietnam – 11
Indonesia – 3
New Zealand – 3
Nepal – 1
Italy – 1
Spain – 1
Taiwan – 1



Materials Sourcing



Operations

New Zealand
48 stores
1 distribution centre
1 headquarters – Christchurch

Australia
119 stores
1 distribution centre
1 headquarters – Melbourne

America
1 headquarters – Bozeman

United Kingdom
1 store



Community Sponsorships

14 Adventure Sponsorship winners travelled to Mongolia, Namibia, Zambia, Tanzania, Kenya, New Zealand, Samoa, Papua New Guinea, Nepal, Australia, Peru, Norway, England, France

214 adventure sponsorship recipients



49* NATIONALITIES
ACROSS OUR TEAM

*Estimated at the time of publication



A worker at one of our supplier factories outside of Ho Chi Minh City, Vietnam.

Our suppliers.

Ngã kaiw haka ratō.

New social impact statement includes workers.

“The aspiration is that we would empower and inspire our workers.”

GARY SHAW

CORPORATE SOCIAL
RESPONSE-ABILITY MANAGER

Our new five-year sustainability strategy focuses on people, planet and practice. We have included our 50,000 supply chain workers in our social impact aspiration: to empower our community to positively change 100,000 lives. We'll do this by proactively addressing modern slavery in our industry, by working to improve the standard of living and working conditions for those people in our supply chain and by enhancing worker wellbeing with education, training and mindset transformation.

This year, we travelled to one of our most progressive factories in Vietnam to collect stories from the workers about how this training is already changing lives.

Corporate Social Response-ability Manager Gary Shaw says, “At a baseline, we want to ensure that the worst forms of modern slavery and exploitation are eradicated. But that’s just a baseline. The aspiration is that we would empower and inspire our workers to grow and flourish in the same way we want to ourselves.”



Le Thi down jacket being produced in Vietnam, China

TGI factory manager
Ms Nguyen Trang.



Mindset training helps workers see new possibilities.

Vietnamese supplier TGI has implemented a mindset training programme for its employees. Factory manager Ms Nguyen Trang says they saw this programme being used in another company with good results and implemented it at TGI in 2015.

The first round of training included 200 workers, and the second round included 500 workers.

Trang says she's seen the changes firsthand. “They can organise their daily life better. They are more confident in themselves and in their abilities. Before, when we offered people promotions, many would refuse. The mindset training helps open their mind and be more positive.”

Trang says the people who go through the training are better employees and tend to stay with the company longer.

“We would like to improve the education of the community. We want to see our employees develop their life with a transformed mindset so they will be happier in their job and in their family.”

My Le Thi is a worker who went through the training. “I discovered I had the ability to change my mindset and overcome difficulties. There was a class where we wrote down each of the challenges we were facing. After that, each person had the opportunity to share their obstacles. I heard about such difficult stories,

such sad circumstances. Instead of hiding in fear, we were inspired to be courageous and change together.

“After taking the course, I feel like, when there are difficulties, I can openly share. I can now openly report to my supervisors to solve the obstacles and not be afraid or hide things.

“What we learned was powerful because we could apply our new skills and ways of interacting with others to our work but also in our daily life with friends and family.”



How one factory protects workers from debt bondage.

“We created loans to help the employees have a better life.”

MS NGUYEN TRANG
FACTORY MANAGER

The International Labour Organization estimates that around 8 million people around the world are enslaved due to what is known as debt bondage. It happens when people sell their labour in exchange for a loan and then become trapped in a situation where they are unable to repay or escape the bond. The practice is illegal, but penalties are rarely enforced in the parts of the world where it's most common. This is the extreme end of the spectrum, but debt can be crippling for many low-wage workers.

Kathmandu's Vietnam-based supplier TGI has taken a progressive step towards helping workers who find themselves facing debt.

Factory manager Ms Nguyen Trang explains, “Some workers need to borrow money to help their parents build a house or for a wedding, university fees for their children or in the case of illness. If they borrow money from a private bank, the interest is 20%. We created loans from our management board to help the employees have a better life so they don't have to worry and can concentrate on their job.”

These interest-free loans are approved on a case-by-case basis. Stories are collected by the Youth Union and put to the management board. The company also has a charitable foundation called Golden Heart, which gives grants of US\$500–\$10,000 to employees who are facing hardship. The TGI management board contributes US\$22,000 per year to this fund.

Progressive companies like TGI can see the benefits of workers who are less vulnerable and more engaged.

As a result of Kathmandu's commitment to sustainability, we have identified suppliers like TGI as “high-potential, high-growth vendors that will be allocated more business.

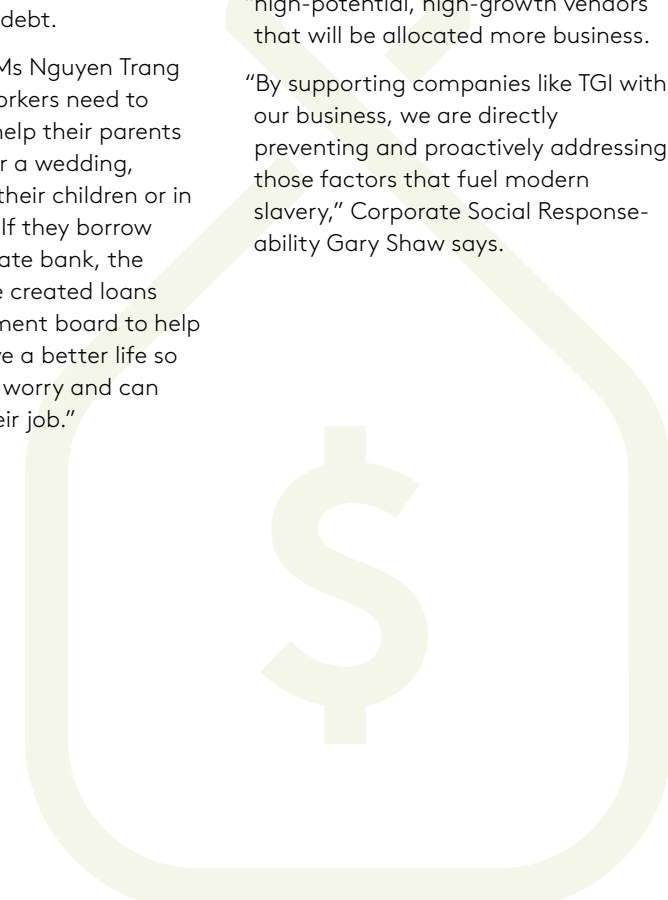
“By supporting companies like TGI with our business, we are directly preventing and proactively addressing those factors that fuel modern slavery,” Corporate Social Responsibility Gary Shaw says.

Corrective action plans

Kathmandu issued 144 corrective action plans following social audits designed to identify and collaboratively improve the working conditions and wellbeing of those in our supply chain.

Factory exits

Kathmandu exited 34 factories. Some were as a result of consolidating a number of smaller suppliers with whom we had very little influence. The remaining suppliers were exited after repeatedly failing to improve and showing no intention or desire to do so. By working with fewer suppliers, we can increase our purchasing power, allowing us to have more influence over workplace best practice.



SUPPLIER PROFILE

Social media tools create opportunities for change.

Last year, we introduced a new way for workers around the world to let us know directly when they felt their human rights were being compromised. WeChat is one of the world's largest multipurpose communication platforms, and this year, we have heard from several workers via this channel.

These led to ongoing conversations with our China-based supply chain specialist and resulted in Kathmandu contacting our suppliers to seek clarification, redress or immediate action.

Kathmandu Corporate Social Response-ability Manager Gary Shaw explains, “In one case, we received a complaint about a particular manager who was behaving in an unprofessional manner towards some female workers.

“As a result of our intervention, the factory invested in leadership training and a review of management. They hired someone to help them change the company culture, and when the manager concerned was unwilling to change his behaviour, he was ultimately dismissed.”

This is one example of how open lines of communication with workers can spark improvement. Kathmandu is currently rolling out an equivalent platform in Vietnam to ensure workers there can also communicate immediately and directly with the company.

“We aim to come alongside our suppliers and work together to improve,” Gary says.” In this case, our partner ELEVATE was able to recommend the necessary steps for improvement and facilitate training. This is going beyond risk management and compliance to genuine positive change.”



Laborlink gives workers a voice.

“Honest transparent communication is how we create change.”

GARY SHAW

CORPORATE SOCIAL
RESPONSE-ABILITY MANAGER



One of the other tools we use to understand the concerns of workers in our supply chain is Laborlink, an anonymous confidential survey tool that workers complete using their own mobile phone.

“Audits are very good at looking at the building, checking that fire escapes aren’t blocked and that workers are getting fairly paid, but it doesn’t reveal things like harassment or bullying, which can have a much more detrimental impact,” says Corporate Social Response-ability Manager Gary Shaw.

The traditional audit process does include interviews with workers, but these are often done on the factory premises, in sight of their managers, and it’s not surprising that they result in very few complaints. Some workers are worried they will lose their jobs if they speak up, or in some cases, there is a cultural expectation that they remain silent out of misplaced loyalty to their employer.

“We did an audit this year on one of our new suppliers that came back almost perfect with a score of 93%. However, in the anonymous Laborlink survey, 58% of workers reported that their supervisors often or sometimes yell at them. So the workers’ wellbeing is still being impacted, and that is a concern.”

Gary says the next step is a conversation with the factory managers. “We’ll ask if they recognise the issues involved and are equipped to address them. If not, we’ll invite them to work with ELEVATE to change the culture of their workplaces and make it clear to all what is acceptable.

“We don’t expect or anticipate perfection. What we do require is honest transparent communication so we can work on these issues together. This is how we create change. We collaborate with ELEVATE because they understand the issues, have the experience and expertise and know the culture,” Gary says.

Another 'A' score in the Ethical Fashion Report.

The 2019 Ethical Fashion Report was released by Tearfund in April.

The Ethical Fashion Report sheds light on what the industry and individual companies are doing to address issues such as forced labour, child labour and other forms of worker exploitation. Each report – since the launch of the first in 2013 – has tracked progress within the industry. The change since 2013 has been significant. The 2019 report assessed 130 fashion companies (representing 480 brands) on how well they mitigate the risk of exploitation in their supply chain.

Kathmandu scored an A again this year and ranked as one of New Zealand’s top five companies.

Companies are assessed at three critical stages of the supply chain – raw materials, inputs production and final stage production. This year, in addition to the four established key areas of grading (policies, transparency and traceability, auditing and supplier relationships, and worker employment), Tearfund has added a fifth grading criteria – environmental management.

Tearfund said this year saw the most substantial progress in traceability down the supply chain since its conception in 2013.

Tearfund CEO Ian McInnes says this is a sign that accountability is starting to motivate change from companies.

Kathmandu Corporate Social Response-ability Manager Gary Shaw says the report helps raise the bar on human rights in the supply chain. “Companies are competitive by nature. Now instead of trying to be the best in the world, they’re competing to be the best for the world. Like the Modern Slavery Act, the Ethical Fashion Report invites companies to become more aware of their supply chain and the impact they have on the world.”



Ongoing progress.

COLLABORATION ADDRESSES WORKER CONCERNS

In three cases, our grievance mechanism resulted in us working with other brands to increase our influence.

“Sometimes our spend with a particular factory isn’t significant, so our voice is not as influential,” explains Corporate Social Response-ability Manager Gary Shaw. “This is a common problem for businesses all over the world who truly want to make a difference but don’t have the leverage or influence to do so on their own. However, as an example, by working together with other brands, we were able to approach one of our shared factories with a unified and powerful voice as together we made up more than 90% of their business. They were suddenly very responsive and eager to address the issues we raised.” This approach has been welcomed by other brands. “New ways of doing business built on partnership and collaboration are essential if we are going to meaningfully improve the lives of workers and their communities.”

“We were able to approach with a unified and powerful voice as together we made up more than 90% of their business.”

GARY SHAW

CORPORATE SOCIAL
RESPONSE-ABILITY MANAGER

SUPPLY CHAIN GOES PUBLIC

In December, we made 100% of our Tier 1 manufacturing list public on the Open Apparel Registry.

Gary says this move creates greater transparency and accountability. “In the past, many brands saw this as a risk. But today, it’s best practice. It means that, if someone finds human rights violations in our supply chain, we want people to be able to track us down and let us know about it. We are not about self-protection. We are about collaboration and doing the best for the world.”

Tier 1 includes all of our manufacturers. Gary says the next step is to increase transparency to our Tier 2 suppliers, like fabric mills.

OBOZ TAKES FIRST STEPS ON CORPORATE SOCIAL RESPONSIBILITY JOURNEY

Gary spent time with the team at Oboz this year to share his supply chain approach and knowledge. Oboz CEO Amy Beck says, “It was great to have Gary and his knowledge to partner with us on this very important topic. We are in the process of building our CSR and sustainability road map. By working with the Kathmandu team and their processes, standards and training, this will be an area of focus and priority for our teams and partners.”



Workers in our Nepalese factory handmaking our annual Christmas ornament. All proceeds go to our community partners to fund education in Nepal.



Our products.

and beyond.



Number two in the world for the third year running.

“It’s about learning and moving forward as an industry.”

MANU RASTOGI

HEAD OF PRODUCT INNOVATION AND PRODUCT SUSTAINABILITY

The Textile Exchange is a global non-profit on a mission to transform the textile industry. It uses industry benchmarking to help brands understand where they are and where they might be heading. As a network, the Textile Exchange helps brands share their knowledge and join forces to influence change.

The Corporate Fiber & Materials Benchmark is an annual report that helps businesses to measure how their preferred fibre and materials strategy stacks up and to track progress.

Kathmandu is one of 43 companies in the Founders Club of the Textile Exchange and has reported its material choices to the benchmark study for three years.

For all three years, we’ve sat in the Leader’s Circle for the Outdoor/Sports category – with a number two ranking.

More importantly, the benchmarking programme has been able to track progress in the industry as a whole. The number of companies participating grew 106% to 111 companies from 17 countries with an estimated combined turnover of US\$1.65 trillion. The report showed that the Founders Club – who have been using the tool for three years – are outperforming other companies.

Kathmandu Head of Product Innovation and Product Sustainability Manu Rastogi says, “The Textile Exchange benchmarking is a great tool and has helped us develop insights and strategies into areas for improvement. It’s not about being first or being last on the chart, it’s more about learning and moving forward as an industry.”



Kathmandu team member Jacinta wearing an Earthcolours tee while exploring the farmers markets in Vietnam. Every Earthcolours product is dyed with fully traceable, patented Earthcolours that come from agricultural waste like nutshells, leaves and vegetables.



GLOBAL SCOREBOARD



#2

WORLD RANKING IN THE TEXTILE EXCHANGE PREFERRED MATERIALS REPORT



#7

by volume on the Preferred Down Leaderboard

#5

by growth on the Preferred Down Leaderboard

100%

INCLUDED IN THE 100% CLUB ON THE PREFERRED DOWN LEADERBOARD, PREFERRED LYOCCELL LEADERBOARD AND PREFERRED MAN-MADE CELLULOSICS LEADERBOARD

Recycled materials win.

When it comes to choosing the most sustainable materials, there are few easy answers. Cotton is a natural, renewable material, but its environmental impacts are almost three times greater than polypro. The materials that win the sustainability game change based on what you're measuring and where the material is being made. Some methods use more energy, but if it's renewable energy, the impact decreases.

There are so many variables that it could be a full-time job just figuring out what's the best product to buy.

Luckily, at Kathmandu, there's someone whose job it is to do all this analysis for you. His name is Manu Rastogi, and his title is Head of Product Innovation and Product Sustainability.

Manu uses tools like the Higg Materials Sustainability Index, life cycle analysis and conversations with individual suppliers to make decisions on which materials have the least impact.

The ultimate aim is to move towards a circular economy where products sit within a closed loop, because we know that 85% of a product's impact comes from its materials.

"Recycling is a key component of that. If we want to shrink the loop, we've got to keep materials in use for as long as we can," Manu says. "Our goal is to become a recycling champion – not just recycled polyester but nylon and cotton and TPU in our rainwear."

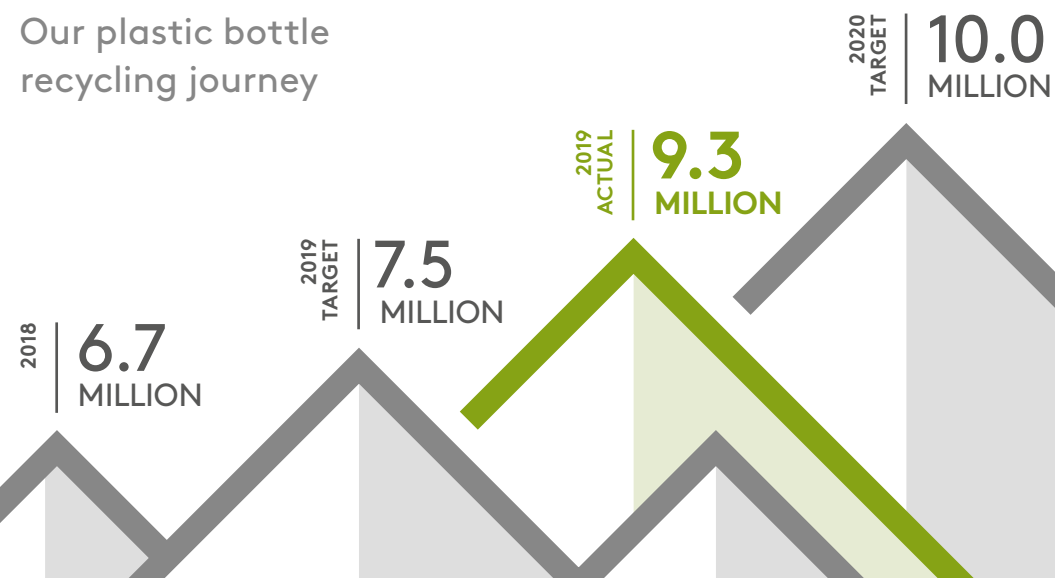
Polyester holds the title as the number one fibre used worldwide. Only 15% is produced using recycled materials – the rest is virgin polyester produced for consumer demand.

Recycled polyester has been part of the Kathmandu range since the 1990s. The REPREEVE brand of recycled polyester is now used in 101 products in the Kathmandu range. We recycled 9.3 million bottles last year alone.

Manu says that measures of sustainability change depending on which lens you look through. If water use is most important, one material wins. If carbon emissions is most important, another material wins. Life cycle analysis is an attempt to see a product with all the lenses stacked together.

"People tend to go towards natural fibres, but a life cycle analysis shows polyester is the best of the lot. We do all that research in the background."

Our plastic bottle recycling journey

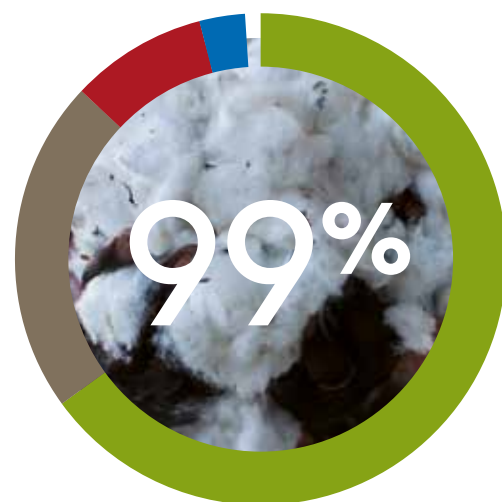


Summit Club member Jarod putting his Solus pack to good use in Cuba. The Solus pack is made with REPREEVE fabric and recycles 13 plastic bottles.



100% sustainable cotton on the horizon.

Sustainable cotton breakdown



65% BCI 22% organic
9% fairtrade 3% recycled

For the last five years, we've been working to transition our entire range to sustainable cotton. This year, we hit 99%, and from September 2019, all new products will be made exclusively with sustainable cotton.

Head of Product Innovation and Product Sustainability Manu Rastogi says the biggest challenges came when converting the tail end – the blended fabrics that were only 5% or 10% cotton.

Sometimes, this meant approaching suppliers who we didn't have large volumes with and asking them to switch to Better Cotton Initiative (BCI) yarns.

"The first step is asking," Manu says. "We found that most of our suppliers didn't realise how easy it was to do. We would give them the resources to go further down the chain to the yarn supplier. In the end, everyone said yes."

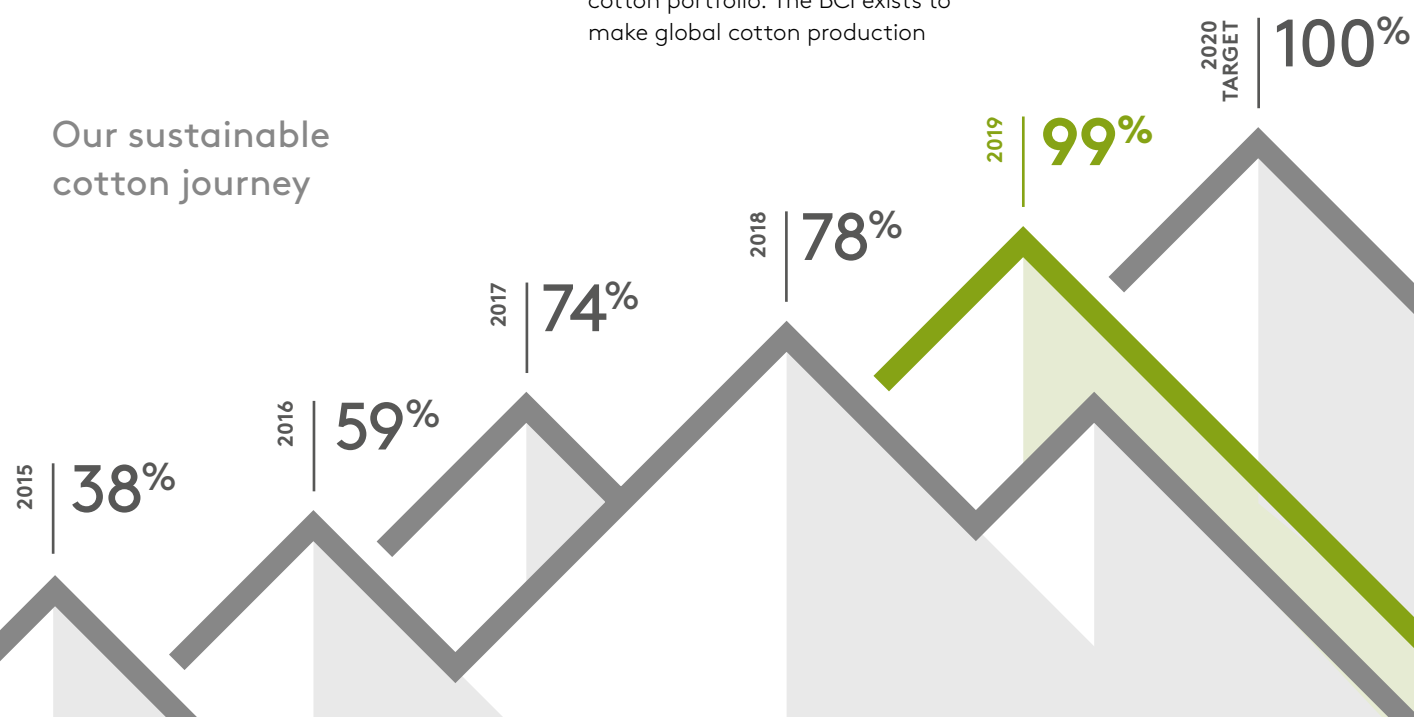
Better Cotton makes up the largest chunk of our sustainable cotton portfolio. The BCI exists to make global cotton production

better for the people who produce it, better for the environment it grows in and better for the sector's future. They aim to do that by making Better Cotton a mainstream commodity.

Last year, more than 1 million metric tonnes of Better Cotton went into the world's supply chains. Better Cotton was grown by 2.2 million farmers in 21 countries and made up 19% of global cotton production.

Manu is excited about growing the recycled cotton percentage in the range. When it comes to impact, recycled cotton beats other sustainable cotton hands down. It takes pre-consumer waste from the factory floor and blends the fabric back to a yarn, removing all the heavy impacts from the growing and dyeing phases of cotton production.

Our sustainable cotton journey



12.1 MILLION

bottles worth of fresh water saved in 2018*

By using more solution-dyed polyester, nylon and polypropylene, recycled and fairtrade cotton, we have been able to increase our water savings from 11.5 million bottles for 2018 to 12.1 million bottles for 2019.

* based on 500ml bottles.

Summit Club Member Hayley wearing the new Kathmandu Logo Tee on location in Cuba



Summit Club member Jen wearing the highly sustainable Stockton Jacket during an unexpected sun shower in Tasmania. The Stockton Jacket features recycled REPVE face fabric, recycled polyester insulation and a recycled inner lining.

A growing resource.



As we transition away from fossil fuels, the world will need renewable materials to replace the synthetics that make up many outdoor products. Bio-based materials are essentially synthetics made from plants. Not only can they help reduce our dependence on fossil fuels, they can also absorb CO₂ when growing to give us a climate-neutral alternative.

Of course, it's never that simple. If growing plants for synthetic fabrics takes away from land we need for food or if it requires fertilisers that cause the release of nitrous oxide, then we're not really winning. But these problems are slowly being tackled, and bio-based synthetics is one of the major areas of innovation in the textile industry.

Today's commercial bio-based synthetics come from renewable sugars, starches and lipids – think corn, beets, sugar cane and plant oils. In the future, there may be an opportunity to extend this to an even

Commercial bio-based synthetics come from renewable sugars, starches and lipids – think corn, beets, sugar cane and plant oils.

broader range of renewables, including algae, fungi and bacteria.

Kathmandu made its foray into bio-based materials with EarthColors dye, which is made from the inedible parts of nuts, fruits and seeds. This year, our Stockton Jacket used a bio-based waterproof membrane.

"Bio-based materials will move up our preferred fibre and material portfolio," says Head of Product Innovation and Product Sustainability Manu Rastogi.

New quality programme rewards excellence.



“We’ve spent the last two years designing a new programme that addresses quality of manufacturing.”

TARA STRANGWICK
GROUP PRODUCT
OPERATIONS MANAGER

Quality is at the heart of Kathmandu’s sustainable approach to product development, because even the greenest material choices won’t stack up if the products don’t have a long and useful life.

Group Product Operations Manager Tara Strangwick explains, “There are lots of facets to quality. One part is designing for quality. Does the product do what it’s supposed to do? Then there is the quality of development. Does everything tick the boxes for the user and does it work? And then there is the quality of the manufacturing. We’ve spent the last two years designing a new programme that addresses that.”

The Supplier Quality Excellence programme is designed to be an early detection system that picks up manufacturing problems before the product leaves the supplier. The aim is to reduce the number of unacceptable products that arrive to our warehouses and, ultimately, to reduce the number of customer returns due to manufacturing workmanship.

The new Supplier Quality Excellence programme is an award-based system for suppliers. The programme includes a factory quality audit that helps drive continuous improvement in a factory’s quality processes. The programme also includes product inspections and incorporates customer feedback by aligning with return rates.

Five core suppliers were onboarded into the programme this year. These suppliers represent 43% of our total spend. The programme is working. First-time pass rates improved by 38%.

The programme also includes a Certified Factory Auditor initiative, designed to make sure factory inspectors are crystal clear about our quality standards. Only those that pass the programme become Certified Factory Auditors and are able to inspect product on our behalf. This year, we certified our first two groups of auditors at two of our suppliers’ factories in China.

CARE AND REPAIR



3,546

REPAIRS

SAFETY



11

Incidents

Reported incidents were a result of foreign articles found in clothing and some equipment failures. Over half of the reported incidents resulted in no injuries and four were a result of non-compliance with voluntary codes.

DATA BREACH

Between 8 January and 12 February, an unidentified third party gained unauthorised access to Kathmandu’s website. During this process, the third party may have captured customer personal information and payment details entered at checkout for potential fraudulent use.

As soon as we became aware of this incident, we took immediate steps to confirm that our online store and our wider IT environment were secure. After this, we worked closely with leading external IT and cyber security consultants to fully investigate the circumstances of the incident and confirm which customers were impacted.

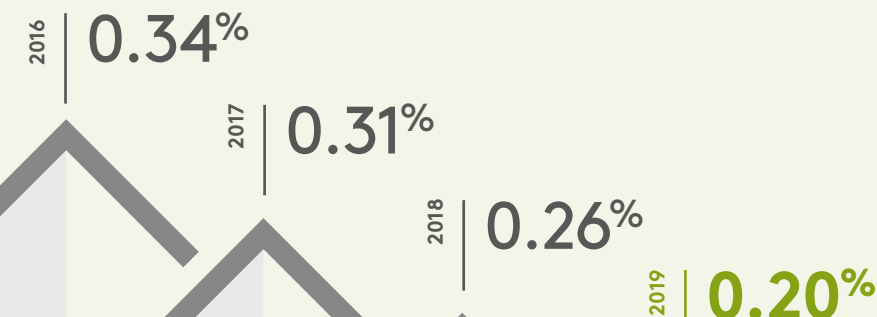
Our number one focus was to clearly identify who had been (and rule out who had not been) potentially affected by this incident and also identify precisely what information was involved so we could meaningfully inform our customers about how they may have been affected.

Kathmandu proceeded to roll out a global notification campaign to directly notify 19,726 potentially affected customers and 24 regulators/law enforcement agencies in 93 jurisdictions. It is not clear the exact amount of individuals who suffered a loss or fraud as a result and no substantiated complaints were received from customers or regulators.

As an organisation, we attach a high value to our customer data, and we take the protection of our customers’ data very seriously. We have worked and will continue to work with the relevant authorities and independent security experts.

Kathmandu conducted a post-incident review of the security breach, and from this review, we understand our management approach to the breach was adequate. Further changes have been made to upgrade credit card payment processing systems to prevent this happening again.

Customer return rates for quality



Oboz sustainability update.

WITH DAWSON WESTENSKOW,
DIRECTOR OF PRODUCT

WHAT ARE THE BIGGEST SUSTAINABILITY CHALLENGES FOR OBOZ WHEN IT COMES TO PRODUCT?

I think overall our biggest sustainability challenge has been clarifying our core values as a company and then using those values to inform the overall sustainability strategy. The challenge is that we can go so many different directions when it comes to product-related sustainability, but we really need clear overarching values that inform where we should go. We are in the process of doing that work.

“We have started to incorporate more sustainable materials into our development process.”

DAWSON WESTENSKOW
DIRECTOR OF PRODUCT

WHAT PROGRESS HAVE YOU MADE THIS YEAR?

I think the biggest progress we have made in sustainability in 2019 has been in setting up verification mechanisms. The first was getting integrated into the Kathmandu factory audit system. That has been a huge step for us, and it has been great to have the support of Kathmandu during that process. The second form of verification is around restricted substance list testing. We are working with a third-party testing firm to help set up that programme.

The transition to Forest Stewardship Council (FSC) mixed packaging has been a big win this year. We will complete this transition before the end of 2019.

We have also started to incorporate more sustainable materials into our development process. We will be launching products in 2020 and 2021 that utilise a percentage of recycled materials as well as bloom algae foam (replacing 30% of petroleum-based materials in our insoles). These changes will not impact all products, but we are testing them in collections with the hope of using them more broadly in the future.

Oboz products will incorporate more sustainable materials in the next two years.



Our new flagship store in Christchurch.



Our footprint.

Ta mātou
tāwhiri.



Our footprint.

Become carbon neutral. That was one of the recommendations of global sustainability experts Brian and Mary Nattrass when they did an in-depth review of Kathmandu's footprint last year. They also recommended we keep up the continuous improvements in reducing waste.

As a result, we've developed an ambitious five-year plan that aspires to net zero environmental harm from our business operations.

In practice, this means operating zero waste to landfill facilities, setting science-based targets to address climate change, understanding the alternatives to plastic polybags with an intent to remove these from the supply chain and becoming net zero carbon.



Oboz

According to Trees for the Future, between 1 August 2018 and 31 July 2019, Oboz funded the planting of 503,810 trees. Total trees planted from inception to 30 June 2019 – 2,618,511.

WASTE

Just as we were narrowing in on our zero waste to landfill target, China shut the doors to recycling plastics, which created a chain reaction. Australia, inundated with its own waste, stopped accepting soft plastics from New Zealand.

Last year, we reported 100% of our polybags in New Zealand were collected for recycling. Eight of our New Zealand stores' soft plastics were collected by the Love NZ Soft Plastic Recycling Scheme. When Australian processors stopped accepting New Zealand plastics, the scheme was halted, and the Packaging Forum, which runs the scheme, began searching for an onshore processor.

Two companies have been engaged, and the scheme has restarted with limited collection in Auckland. Three Kathmandu Auckland stores have joined this trial.

The polybags are sent to Future Post, who are turning them into long-lasting fence posts for farms, fruit growers, vineyards and other rural sectors.

In September, a second onshore trial started with 2nd Life Plastics, a Levin company making recycled plastic matting, fibre optic cable, buckets and other products. Kathmandu's Hamilton store was able to join this trial.

Donna Hellens of the Packaging Forum says packaging helps preserve products and extend shelf life. "You need to have packaging in a lot of areas. The most important thing is reducing, the next is to look for ways to reuse and then the rest we need to recycle."

The Packaging Forum brings together more than 200 companies who belong to voluntary product stewardship schemes. They invest

more than \$1 million annually to increase recycling and reduce litter.

Kathmandu Brand Manager Olivia Barclay says Kathmandu will work with Love NZ Soft Plastic Recycling to recycle polybags as soon as possible. "We also want to encourage people to support companies who are making recycled products. This is how we will create a sustainable, circular economy."

CONVERTING AND REDUCING PACKAGING

The packaging department is a place where small things can add up to make a big difference. A few years ago, we consolidated our packaging suppliers and used the Avery Dennison Greenprint packaging audit tool to assess the footprint of our packaging options across six factors – fossil material, trees, water, energy, CO₂ and waste.

Last year, we converted the final pieces of our packaging to soy-based inks and Forest Stewardship Council-certified card.

Now, we are reducing the amount of packaging we produce. Instead of printing separate inserts, we are utilising space on the inside of folded swing tags to reduce the amount of paper, ink and cost.

We started with one range of products and have already reduced the number of pieces of paper by 131,738 or 13.97%.

We'll continue this work on other product ranges, because every little bit adds up.



Tim Jarvis documentary submitted to international film festivals.

Kathmandu global ambassador Tim Jarvis has been climbing the summits of 25 equatorial glaciers that will have zero ice in 25 years. His mission is to use these expeditions to raise awareness of climate change around the globe.

The 25 Zero documentary will premiere this year and has been submitted to International film festivals.

Net zero environmental harm from our business by 2025.

We've set a goal to become net zero carbon by 2025. To get there, we'll be following four steps – measure, manage, verify, mitigate – with the help of Enviro-Mark Solutions, who are independent experts in environmental certification.

We have achieved our second year of certification in the Certified Emissions Measurement And Reduction Scheme (CEMARS®) programme through Enviro-Mark Solutions. Achieving CEMARS certification means we are measuring, managing and reducing our greenhouse gas emissions to standards that meet international best practice.

To achieve CEMARS certification, an organisation must measure their organisation's full greenhouse gas emissions so they understand their impact on the global climate. All operational emissions are measured – including vehicles, business travel, fuel and electricity, paper and waste. Once the footprint has been measured, the organisation must develop plans to manage and reduce their emissions continually. To maintain CEMARS certification, the organisation needs to reduce emissions on a five-year cycle.

Identifying science-based targets and actual reduction of Scope 2 emissions are the next summits for us to conquer.

Targets are considered science-based if they are in line with what the latest climate science says is necessary to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

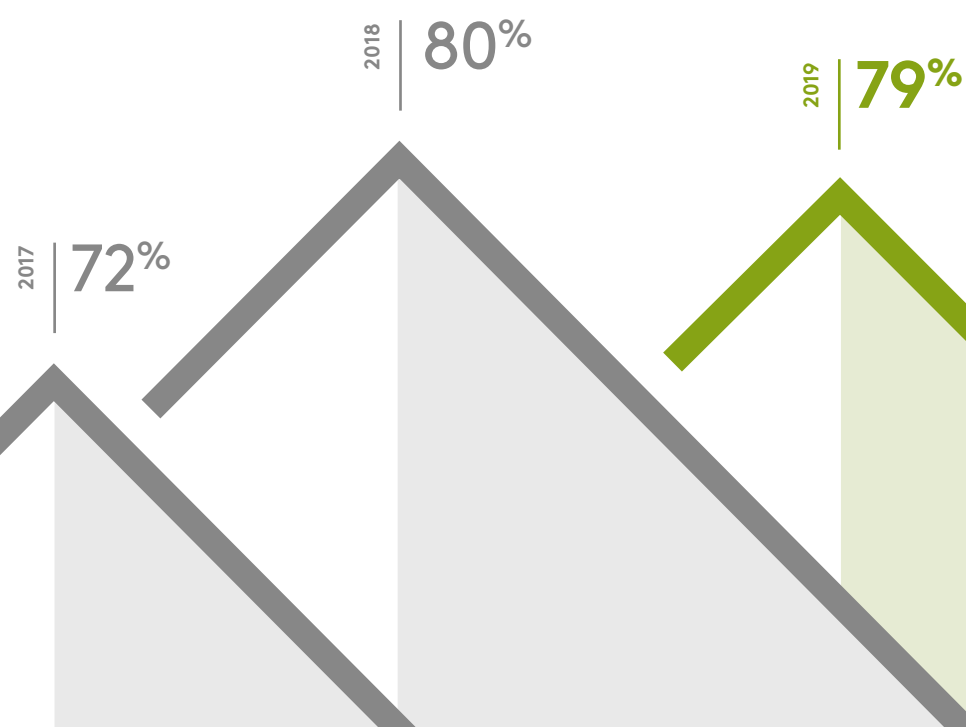
Our overall recycling rate

98% paper/
cardboard

87% polybags and
shrink wrap

27% co-mingled
recycling

Company-wide recycling rate



Store waste breakdown



50% paper/
cardboard

30% polybags and
shrink wrap

10% co-mingled
recycling

10% non-recycled
material

Our carbon footprint gets audited and certified.

The business has had a fantastic year of record growth, which includes the addition of three new stores in Australia as well as more team members joining our head offices. It was also one of the hottest recorded summers reported¹ and we saw our electricity usage for our retail stores increase. Electricity in our stores in the State of Victoria spiked especially, we are investigating the cause and what we can do to reduce their power usage.

As a direct result we estimate our Scope 2 emissions have grown this year, impacting our target of a 20% reduction of Scope 2 emission by 2020.

The increase in our CO₂e reinforces the need for our business to set Science Based Targets, in order for us to achieve Net Zero Environmental harm from our business by 2025.

FY19 results are still in the process of being audited, numbers we have reported on are our estimate.

Our Scope 2 emissions include all of our stores and distribution centres and office electricity usage. Our main emissions come from Australia as coal is the main energy source.

Our reported Scope 3 emissions from transport is primarily through sea freight and air freight emissions from factories to distribution centres.



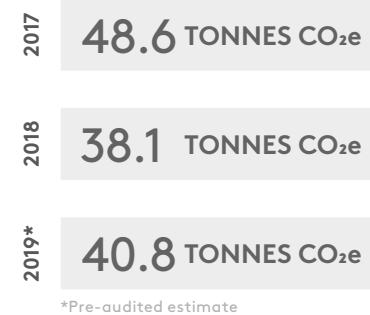
OUR CARBON JOURNEY

TOTAL SCOPE 2 EMISSIONS

AUS NZ UK

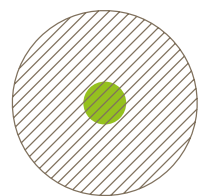


SCOPE 2 AVERAGE CARBON EMISSIONS PER STORE



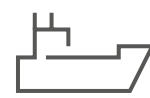
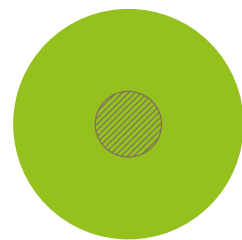
SCOPE 3 TRANSPORT EMISSIONS

*Pre-audited estimate



1,696 TONNES CO₂e* 155 TONNES OF STOCK MOVED*

*Pre-audited estimate



752 TONNES CO₂e* 5,745 TONNES OF STOCK MOVED*

1. Bureau of Meteorology. (2019, March 1). 2018–19 was Australia's hottest summer on record, with a warm Autumn likely too. Retrieved October, 2019, from <http://www.bom.gov.au/climate/updates/articles/a032.shtml>

Our carbon offsetting regenerates native forest.

From 2016–2018, we started a programme to offset all of our business air travel emissions through the Hinewai Reserve on New Zealand's Banks Peninsula. The Hinewai project focuses on the regeneration of native vegetation and habitat for wildlife.

For 2019, we have been broadening our search for local partners across Australia, New Zealand and the United States to further our offsetting programme.



Our community.

Tamari.

Nepalese school children celebrate Sir Edmund Hillary's 100th birthday.



Focusing impact to change lives.

Our community work is framed by our new social impact statement: to empower our community to positively change 100,000 lives in the next five years. We'll do this by inspiring and equipping people to discover their potential through education, personal development and wellbeing.

For our community, that means working with our partners to provide 30,000 Nepalese people with access to quality education and giving 10,000 Summit Club members access to volunteering opportunities and outdoor adventure.

GIVING BACK TO THE REGION THAT INSPIRED OUR BRAND

This year, with the help of our customers, we have raised more than \$260,000 for education programmes in Nepal.

This money has come from our growing range of products that give back and through adventure fundraising events like the Neverest and Summit Challenges and the Summit Club Treks.

EVEREST AND EDUCATION

Sir Edmund Hillary sat at a high-altitude camp in the Everest region one night when he asked his friend Sirdar Urkien what he would most like for his children and the Sherpa people. Urkien said a school for his community was the thing they most needed. A year later, Sir Ed had fulfilled that wish for his friend, and 26 more schools followed along with two hospitals, six health clinics and a rebuilt monastery. Sir Ed's aid work was the great achievement of his last 50 years of life.

Sir Ed's legacy continues through the work of our partners, the Australian Himalayan Foundation (AHF) and the Himalayan Trust New Zealand (HTNZ).

Former Prime Minister Helen Clark travelled to the Everest region this year to celebrate Sir Ed's 100th birthday and to see firsthand some of the work of the trust he founded.

"All along the trekking route, I've met people who have been educated in the schools established by Sir Edmund Hillary and the Himalayan Trust. Many have gone on to become teachers, health workers, doctors, community leaders and to work in trekking and tourism. Education is always a catalyst for human development, and I've been reminded of that every day here in Nepal," she says.

Though the earthquakes of 2015 damaged many schools, the challenge today is more about the quality of education being delivered than the classrooms they are delivered in.

To support better education for Nepalese children, both the AHF and HTNZ provide teacher training and equipment.

This year alone, AHF provided access to education for more than 11,000 people, training more than 400 teachers and providing resources and materials to 96 schools.

And the impact this is having? The AHF reports, "In eight of our project schools, the average learning achievement in the Nepali language in the past year for grades 1-3 is 71.7% compared to the district average of 59.24%."

The HTNZ has been working to improve the quality of education in the Everest region, with a focus on improving literacy learning for children aged 5-8. The four-year programme involves teachers and parents and aims to improve the way literacy skills are taught in the early years.

In 2019, HTNZ completed the rebuild of 150 earthquake-strengthened classrooms at 36 schools across the Everest region to replace those destroyed in the 2015 earthquakes, 7,000 students benefited this year from educational resources and equipment at 61 schools, 94 teachers at 22 schools benefited from teacher training and 1,500 students at seven high schools now have access to better libraries and equipment.

Investing in education for Nepalese people is just one way we can fulfil our goal to positively impact 100,000 lives.

"Education is always a catalyst for human development."

HELEN CLARK

FORMER NEW ZEALAND PRIME MINISTER AND FORMER ADMINISTRATOR OF THE UNITED NATIONS DEVELOPMENT PROGRAMME



Former New Zealand Prime Minister Helen Clark in Nepal for Sir Edmund Hillary's 100th birthday celebration.



Nepal through an artist's eyes.

Artist Sean Duffell owns a very valuable collection of drawings. They were given to him by a class of Nepalese children when he travelled to Nepal as a contributor to our Artists Series T-Shirt.

The t-shirt sales contribute to the work done by the Himalayan Trust and the Australian Himalayan Foundation to improve education for Nepalese children.

"We spent a day teaching drawing to a class of local Namche kids," Sean says. "I was amazed at how good their English was. The kids were fizzing on having a class dedicated solely to drawing."

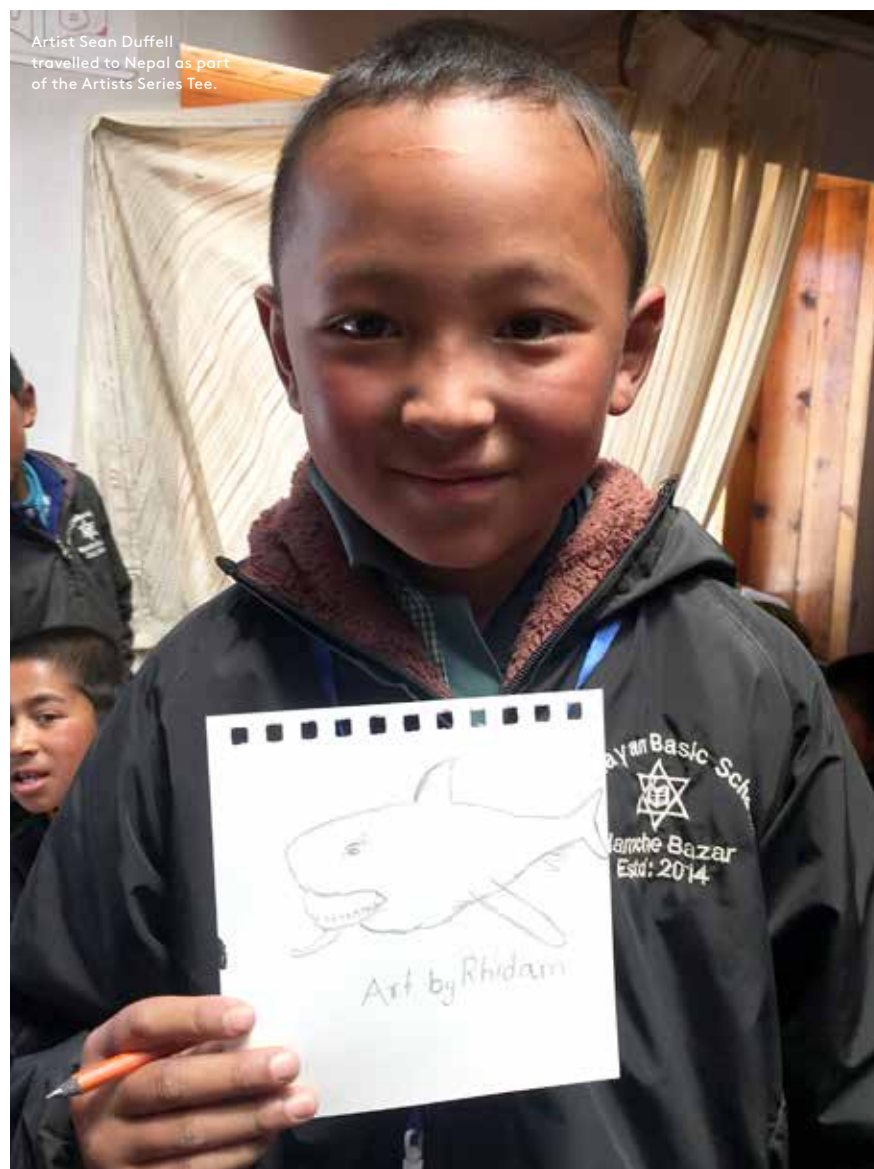
The 10-day trek to Everest Base Camp included several stops at schools supported by the Himalayan Trust.

Sean describes the trip as "inspiring, life-changing and motivating – all the cliché things – but I do think travel has the power to broaden your horizons, especially when you're learning about different cultures and how they live and how they are connected with the Earth."

As an artist, Sean appreciated the ancient Nepalese culture as reflected through art. "We live in such a young country, so when you see artworks that are thousands of years old, it really blows your mind."

Sean is a self-taught artist who grew up in the South Island. As a teenager, Sean was always drawing. "Art is a big part of skateboard culture. But my father didn't want me to go to art school – he thought it was a waste of time."

Instead, Sean became a professional skater, travelling around New Zealand to demos and competitions. Drawing remained a hobby. At 27, he decided that he couldn't keep skateboarding forever and did a graphic design



Artist Sean Duffell travelled to Nepal as part of the Artists Series Tee.

degree in Christchurch. Sean worked in a Wellington graphic design studio while doing street art with friends on the side. When his wall paintings got noticed, he started doing more and more commissioned work. Five and a half years ago, Sean left his day job to work full-time as an artist.

When Sean was contacted by Kathmandu to design an Artists Series T-Shirt, he was "psyched".

The brief was to use an animal from Nepal or New Zealand. Sean put forward a few options, and the kea was chosen.

Sean's Artists Series T-Shirt design includes New Zealand's iconic mountain parrot, the kea, and his nature-inspired patterns. For each t-shirt sold, \$5 will be donated to the Himalayan Trust New Zealand and the Australian Himalayan Foundation.

Woollen birds hand-knitted in Nepal raised money for our Himalayan charity partners last Christmas.

Developing products to support Nepal.

PRODUCT SALES FOR NEPAL	
Khusi Beanie	 23,332 TOTAL UNITS SOLD
Artists Tee	 \$33,720 DONATED FROM SALES
Xmas giving	 \$57,940 FROM CUSTOMERS

KHUSI BEANIE

Employment in Nepal can be a challenge. Women tend to have lower rates of education and less chance to earn an income.

This is why our Khusi Beanie is so much more than a hat. It's a chance for us to connect to the place that inspired our name – and a way for our customers to support the craftspeople of Nepal. Each beanie is hand-knitted in Nepal and helps to improve the lives of the knitters, who value their independence, their community and the chance to use their traditional craft.

Sabina uses her income on household expenses for her family – the rest she saves for a rainy day.

"I feel independent and proud of myself."

Before joining the knitting business, 31-year-old Sabina experienced regular headaches. Now, knitting is both a livelihood and a support unit.

"I feel a strong connection with the other knitters. We work like friends, and this helps us enjoy our work," Sabina says. "I used to have frequent headaches when I used to stay at

home alone. But once I am here, I feel like I am in a community and knitting has become like a therapy for me."

Sapana is 22 years old and one of the many women employed to knit the Khusi Beanie. As the only woman in her family with paid work, it's given her a sense of independence.

"Young girls like me want to be independent," Sapana says. "Now I do not have to depend on money from someone else."

The Khusi Beanie is in stores this winter for the third year.

THE BIRD THAT GAVE BACK

We continued our Christmas Giving programme by making the gift of education available to more children in Nepal. Inspired by the national bird of Nepal, our woollen Himalayan monal was handmade by artisans of Nepal. The \$10 customer donation for each bird was passed on to our Himalayan charity partners to provide books, literacy materials and teacher training in Nepal. This Christmas, our generous customers helped us raise \$57,940 for this cause.

Getting customers into the outdoors.

Kathmandu exists to inspire and equip the adventurer in all of us. Our Summit Club programme helps make this real for customers every day by creating a community of adventurers.

We use Summit Club events to make it easy for customers to get outdoors.

RUN CLUB

Our Run Club programme continued to expand this year with more than 6,000 participants across three cities. The Run Club aims to get customers outdoors to explore local trails.

These free weekly meet-ups are professionally coached and focus on building a range of skills that put trail running techniques into practice all over the city.

HIKE CLUB

This year, we started Hike Club – a series of events that span trail running, hiking, navigation, wilderness skills and photography. The aim is to provide affordable outdoor adventures for our Summit Club members to learn new skills in the outdoors. Eleven events across Australia and New Zealand saw 150 people participate.

WORKPLACE GIVING

The Higg Index, sustainability self-assessment tool provided by the Sustainable Apparel Coalition, challenges us to involve our staff in our community partnerships. We are proud to report that 100% of our Kathmandu executive team are on board, and the company matched employee donations dollar for dollar to raise a total of \$22,000 this past year.

EVERESTING

In our annual Everest Challenge in Australia and the Himalayan Trust New Zealand Summit Challenge, participants walk or run the equivalent of the height of Mt Everest – 8,848 metres – to raise money for the people of Nepal. The New Zealand event grew from 69 participants last year to 330 this year, and the total raised between the two events for our Himalayan partners was \$145,000.

VOLUNTEERING

Our partnership with Tangaroa Blue continued to help Summit Club members connect and make a difference in their communities. Eight events saw 540 people work together to collect more than a tonne of rubbish and plant more than 3,000 plants.



Summit Challenge profile: Samuel Muir

Twelve-year-old Queenstown boy Samuel Muir gave up his winter school holidays to take on the Himalayan Trust’s Summit Challenge and raise \$1,900 for education in Nepal.

“I just saw the need, I just want to help,” he says.

Samuel’s challenge was to climb the equivalent of Mt Everest – 8,848 metres. He used Queenstown’s mountains to help him get there, eventually climbing more than 9,000 metres.

Samuel has also cycled the Otago Central Rail Trail to raise money for children with cancer.

“He loves a good challenge,” says his mum Victoria.

SUMMIT CLUB VOLUNTEERING

7

EVENTS

540

PARTICIPANTS (170 IN AUS)



2,500

TREES PLANTED



800

NATIVES PLANTED

RUBBISH
COLLECTED

616

kg (NZ)

502

kg (AU)



SUMMIT CLUB PARTICIPATION

Run Club	 6,625km OVER 150 RUNNING SESSIONS	Hike Club	 150people OVER 11 EVENTS	Nepal treks	 \$10,167 FROM CUSTOMERS
	 \$145,000 RAISED FOR NEPAL		 1,604kg FROM 49 STORES		
Neverest and Summit Challenge		Red Cross			

Kathmandu supported Marc Nieuwenhuys (Adventure Sponsorship winner) to tackle the Murray River, bringing awareness to clinical depression.

The Mobile Malaria Project received support from our Adventure Sponsorship programme.

Adventure Sponsorship recipients hit the road to fight malaria.

Our Summit Club Adventure Sponsorship programme equips our customers for adventure.

We received 422 applications last year and gave sponsorships in free or discounted gear to 47 applicants. Among them were three Oxford University scientists who took a portable DNA sequencing laboratory from Namibia to Kenya to learn more about malaria.

With a state-of-the-art lab in the boot of a car, the Mobile Malaria Project spent eight weeks driving and trekking to remote communities to

reach the parts of the continent most in need. They visited malaria workers and researchers to document the approaches and technologies used on the front line of malaria control.

Camping on the top of the car, the three researchers are also collaborating with African scientists to trial the latest DNA technology in the field.

This adventure was undertaken during the rainy season when malaria flares up. The route took them 6,300 Kilometres across Africa, where 90% of the world's cases of malaria occur.

"Although global malaria rates have halved over the past 20 years, progress more recently has stalled," says expedition leader Dr George Busby. "By working with colleagues in Namibia, Zambia, Tanzania and Kenya, our journey will help us to understand the challenges facing malaria researchers in Africa in 2019."

Coast to Coast Rangers founder Jess De Bont with Linwood College participant Hengi.



Coast to Coast Rangers give kids a go.

The Coast to Coast Rangers programme gives kids who might not otherwise have the opportunity to participate in the Kathmandu Coast to Coast a chance to give it a go.

In its fourth year, the programme is sponsored by Kathmandu and has seen 40 kids trained by founder Jess De Bont.

Jess says the exercise involved in training helps these kids do better at school. There's also great benefits in getting outside and away from screens.

"Each year, we have different students. Some years, we might use the programme to keep students from joining gangs. Sometimes, it might be to keep them in school and also for striving more in school. By getting them out into nature, we're building confidence. They're gaining self-esteem and becoming role models in their schools and in their families."

Linwood College participant Hengi joined Coast to Coast Rangers for the second year. This time, the school's head boy decided to do the full race in tandem with Jess.

Hengi says the experiences outdoors are remarkable. "Usually, you just see this kind of stuff on TV or on your phone, just scrolling, but to actually do it is something different. It's not every day you get to do the Goat Pass run or see that amazing view."



Christchurch team members sing a waiata at the opening of our new flagship store.

Our Team.

Tāngata.

Our Tangata Whenua, Our People.

He aha te mea nui o te ao? He tāngata! He tāngata! He tāngata!

What is the most important thing in the world? It is people, it is people, it is people.

To be true to our purpose of inspiring and equipping the adventurer in all of us, it's important that we recognise the wealth of diversity that exists in our communities, our customers and our teams. We are backyard adventurers and world travellers with a shared passion for the great outdoors. Sustainability is in our hearts.

We are committed to being a next-level inclusive employer. We are passionate about having workplaces that welcome, celebrate and leverage our differences.

Diversity and inclusion is more than just one group or identity. It's how we can ensure that our unique cultures, experiences, beliefs and identities are woven into the fabric of Kathmandu.



Christchurch team members at the start of the Kathmandu Coast to Coast.

More employment opportunities for people with disabilities.

We want our teams to fully represent the communities we work in.

The ACEs (Adventure Challenges Everyone) programme was developed to make our workplaces more inclusive for people with disabilities.

ADAPTING OUR WORKPLACES

We are creating more accessible workplaces so that existing positions can be more attainable to candidates with mobility challenges. We have modified aspects of store design including point of sale counters specifically designed for team members utilising wheelchairs.

ADAPTING OUR POSITIONS

We have created accessible positions that can be filled by candidates with differing intellectual abilities and challenges. We have created a sales floor assistant position to greet and assist customers in our stores. We have adapted positions within our support offices and are continuing to explore new opportunities throughout all our workplaces.

We have partnered with IDEA Services New Zealand and its employment support team to develop a successful ACEs programme.

Ian Whittle of IDEA Services says, "The Kathmandu programme is an inspiring move towards total inclusion."

For the people Ian and his team works with, getting a job can be life changing.

"Having a paid job gives them a feeling of importance, value and worth. And obviously when you're generating your own income, that creates a real feeling of empowerment. It makes you feel like you're not so different."

In paid work, people gain social skills and confidence. Another massive benefit, Ian explains, is forming natural friendships, which improves emotional wellbeing. There is no more natural place to make new friends than in a work environment.

Ian says we have a long way to go to shift attitudes about employment for people with intellectual disabilities, but he hopes that others will be inspired by the steps Kathmandu has taken.

"As a successful and strong brand, Kathmandu can be very influential in showing their support and commitment to inclusion. They've taken an important step to represent all people, and I think it can never be underestimated how important big companies like Kathmandu have the power to move things. It is a big deal in our sector, and it's great that Kathmandu are being thoughtful about stepping up."

Kathmandu Group Learning and Development Manager Kelly Hopkins says, "Our ACEs have different challenges, but they have even more in common with our teams – they share our values including a love of travel and adventure and passion for the environment, and they have all been hired because of what they can bring to Kathmandu."

EMILY CAN'T WAIT TO GO TO ROME.

23-year-old Emily Coull is one of the ACEs employed at Papa Kāinga (Christchurch Support Office) two afternoons a week. Emily helps out at reception, tidies the kitchen, takes the mail around and helps our customer service and HR teams.

"I'm just loving it," says Emily. "Everybody is so lovely and nice here, and I enjoy the jobs I'm doing."

Her favourite, she says, is helping in the kitchen. "I like stopping by and seeing my close friends that I've made here at Kathmandu."

Emily is putting all her earnings into a savings account, earmarked for travel. "I love history and I love travelling. I'm saving up to go to Europe one day, and my dream is to go to Rome."





Tyler takes on the outdoors on two wheels.



Tower Junction store team member Tyler Belcher.

Tyler Belcher loves getting outdoors. “Any day of the week, I’d rather be out there doing it than sitting in front of the TV,” he says.

Tyler was born with spina bifida, a condition that develops in the womb and affects the spine.

“Until I was 3 years old, I used a walking frame to get around and then I got my first wheelchair. I can walk short distances with crutches.”

This doesn’t stop Tyler from getting into the outdoors. “I’ve always been an outdoor person. I’m really keen on nature walks and shorter hikes – or in my case, rolls. I love to head out on adventures in my 4WD and

can load and unload my wheelchair from the car.”

Employment has been challenging for Tyler. “I’m a qualified personal trainer but I feel like my condition has been seen as a boundary when I’ve applied for roles in gyms. I used to live in Dunedin – it’s an older city where few of the buildings are wheelchair accessible. Christchurch is much more accessible, and that’s only improved since the earthquake with rebuilding.”

As a Kathmandu customer, Tyler says he always felt aligned to the brand. “Every time I’ve gone into a store, the team have been awesome. You could see people were happy to be there, and they were always welcoming.”

“I’d love to work my way up here and hopefully build a career.”

Tyler has a message for people who interact with him. “For anyone with a disability, don’t assume that we can’t do things. Instead, assume that people with disabilities can do anything – unless we tell you we can’t or we need help with it.”

Team members go Coast to Coast.

The Kathmandu Coast to Coast race brings together two big names in adventure each February for an epic multisport race across the Southern Alps of New Zealand.

Competitors start at Kumara beach on the West Coast and run 2km inland to their bikes and then ride to the foothills for a 30km mountain run. Then it’s a 15km road bike followed by a 70km kayak down the braided bends of the mighty Waimakariri River and a 70km ride to the finish line at New Brighton beach.

This year, 23 team members participated in the race and Chris Harte won the mountain run.

Christchurch team member Chris Harte after winning the Kathmandu Coast to Coast mountain run.



Rainbow Kaspers.

We are proud to have established an employee-led rainbow community network, Rainbow Kaspers.

The Kaspers network brings together team members who identify as LGBTQIA+ and allies within the business who want to support them.

Rebecca Edwards, General Manager, Group Human Resources, is the executive sponsor of the Rainbow Kaspers network. She says, “It’s important that we not only celebrate and embrace diversity but also recognise that people of diverse sexualities and gender identities still face discrimination in society and workplaces. It’s important that all team members feel safe and able to bring their true selves to work.”

Our Rainbow Kaspers community aims to create a culture that embraces diversity and to build support mechanisms for team members. It also exists to influence the business and drive diversity in marketing campaigns and business decisions and engage and inspire team members, customers and our wider communities.

We are committed to identifying and supporting community organisations aligned with Kathmandu’s values that work with rainbow youth in our communities.

We have set a goal of achieving the Rainbow Tick accreditation in New Zealand in 2019.

Kathmandu Rainbow Kaspers purpose: Diversity and inclusion are part of our DNA. Together we will continue to build an inclusive culture based on knowledge, acceptance, mindfulness, pride, equality, respect and support for our diverse employees. All team members feel safe, supported and empowered to bring their true selves to work. Celebrating and embracing diversity fuels our innovation and connects us to our customers and the communities we serve



New frontiers in learning.

Our retail teams are the face of our brand to our customers. We continue to look for ways to develop our teams and provide them with career opportunities.

We've radically improved our online retail training tools this year. Working with Christchurch company RedSeed, we migrated our Learning Management System (LMS) to a new platform that is more interactive. The new system blends online and real-world training.

Group Learning and Development Manager Kelly Hopkins says, "We've improved the way it looks and feels – even the way we measure it. We also created our first-ever online customer service training course to support our drive for improved customer experiences across the brand."

"Kathmandu's learning platform connects each learner with a coach for one-on-one feedback and practice, which has a significant positive impact on learning transition over other systems," she says "Training that is relevant and engaging will encourage team members to use it."

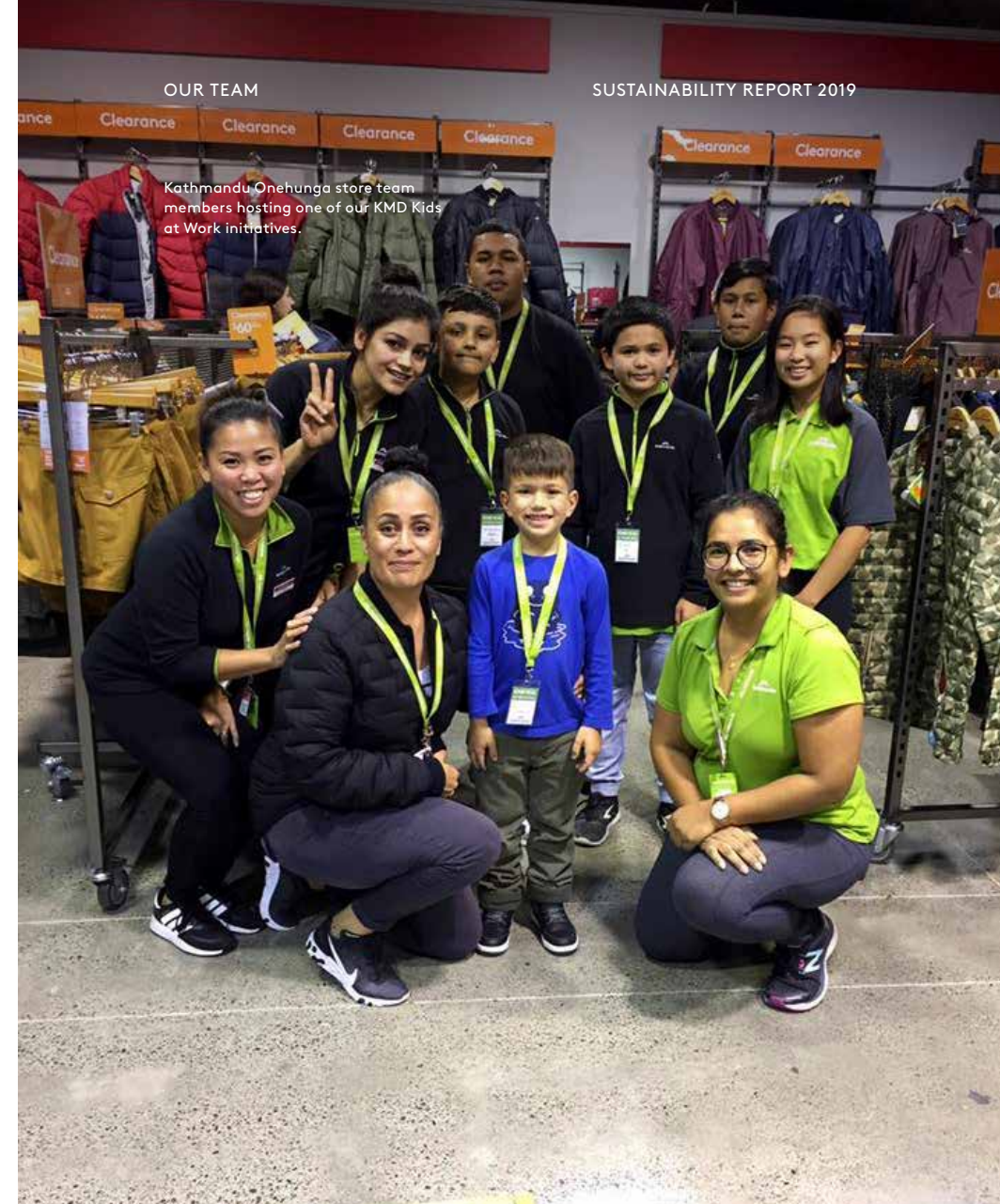
Ehara taku toa i te toa takitahi engari he toa takimano.

My strength is not that of an individual but that of the collective.

We've also introduced an internal certification for footwear product knowledge. Following two days of intensive training, a practical assessment and an online exam, 25 team members received their certification and now sport a badge showing their level of expert knowledge in footwear. The Footwear Guide Certification programme will be extended across further locations in 2019/20 and beyond.



This year we developed a partnership with Service IQ, the industry training organisation for retail organisations in New Zealand, and we now provide our New Zealand retail teams with a development pathway for NZQA qualifications including the National Certificate in Retail and the National Certificate in Business. In the coming year, we will implement a programme to provide similar opportunities for our Australian teams.



Kathmandu Kids at work.

KMD Kids at Work initiatives were launched this year with events held across Australia and New Zealand. Kathmandu kids joined parents and extended whānau (family) in stores and support offices, creating a great experience for everyone and an opportunity to give tamariki (children) of all ages a chance to see what our team members do at work, experience a workplace environment and provide older tamariki with some valuable work experience and workplace interaction skills. For our smaller tamariki, it was hugely exciting for them to see what their whānau do at work and be part of the fun.

General Manager Group Human Resources Rebecca Edward says, "Parents are a critical part of our team, and we want to support them with flexibility, return to work opportunities and whānau initiatives."

To support our parents who faced teacher strikes in New Zealand this year, we wanted to ease concern around childcare options during these events and provided Kathmandu Kids Day events with supervised offsite fun-filled childcare.

COMMUNICATION TRANSFORMED

Like most retailers, we've found communicating with a dispersed workforce a challenge. This year, we rolled out Facebook Workplace to make team communication easier.

Facebook Workplace looks and feels just like Facebook – a platform nearly everyone is familiar with – except it is a closed network.

General Manager Retail Stores and Operations Stephen Domancie says Facebook Workplace has transformed communication and interaction opportunity and connected stores to teams at the support office and distribution centres in Australia, New Zealand and beyond.

"Knowledge sharing has increased dramatically and communications have become more streamlined."

Workplace enables us to share breaking news, individual or team achievements and important announcements with all team members in real time.

"Every team member can now access a wide body of information and discussions directly from their mobile device," Stephen says. "Team members at all levels are empowered to join in and drive conversations that align with their values and interests. They now have a voice that can be heard, which can range from voting for songs in store music playlists, providing feedback on new products to sharing their adventure experiences."

Workplace is also a platform for the executive team to listen to and engage with team members, and for team members from across the business to share their ideas and passions.



Brand truths in action.

Our Brand Truths stand for what we believe in and how we put our brand into action. Here's some of the ways we have lived our brand truth this year.

WE SERVE THE ADVENTURER

We involve Summit Club members with our Run Clubs, Hike Clubs, Neverest Challenge and Summit Challenge and through Kathmandu Coast to Coast sponsorship.

OUR PRODUCTS MAKE FOR BETTER ADVENTURES

This year, we launched our most sustainable jacket ever. The Stockton is a waterproof, windproof and breathable companion for any adventure.

SUSTAINABILITY IS IN OUR DNA

Our new Best for the World sustainability action plan sets ambitious five-year goals around people, planet and practice.

WE EMBRACE DIVERSITY

This year, we introduced the ACE programme to create new roles for people with disabilities and launched the Rainbow Kampers network to support our LGBTQIA+ team members.

ADVENTURE IS OUR PASSION

Our Adventure Sponsorship programme helps adventurers in our Summit Club community live their dreams to use travel and adventure to make a difference.

About this report

This is our eighth annual sustainability report. It covers the period from 1 August 2018 to 31 July 2019. The report is prepared in accordance with the core requirements of the Global Reporting Initiative (GRI) Standards reporting framework. It accompanies our Kathmandu Annual Report 2019, available online at [kathmanduholdings.com](https://www.kathmanduholdings.com), which includes our full financial results.

Data in this report covers Kathmandu's operations, including our stores, distribution centres and support offices in New Zealand, Australia, United States of America and United Kingdom. If any issues are material beyond these boundaries, we have reported on these issues and our approach to managing them, but we may not have complete data available. Financial figures are expressed in New Zealand dollars unless otherwise specified.

We'd love to hear your feedback on the report. Feel free to send comments and questions to our team at sustainability@kathmandu.co.nz.

Values in action.

It's great to have a list of values to guide us, but it's the way our team puts them into action that makes them real. Here's some of the ways we lived our values this year.

OPENNESS AND DIRECTNESS

We introduced anonymous online surveys to give workers in our supply chain a way to communicate honestly with us about their working conditions.

ENVIRONMENTAL ACTION

We set a goal to have net zero environmental harm from our business operations, which includes becoming carbon neutral and zero waste to landfill.

INTEGRITY

We joined the B Corp movement to use business as a force for good in a more sustainable and inclusive economy.

RESOURCEFULNESS

We recycled 9.3 million plastic bottles by using recycled polyester in 101 products in our range.

LOVE OF TRAVEL AND ADVENTURE

We commissioned a report and created a content series to look more deeply at the helpful and harmful aspects of travel.

PASSION AND DETERMINATION

Determined to be a more inclusive employer, we created new roles for people with disabilities.

A full-page photograph of a man and a woman sitting inside a tent, looking out at a mountain landscape. The woman, on the left, has her hair in a braid and wears a dark jacket with a colorful floral pattern. The man, on the right, wears a blue puffy jacket. They are both holding mugs, and steam is rising from them, suggesting they are drinking hot beverages. In front of them on the grass are two bowls and a thermos. The tent's orange and white frame is visible in the foreground.

Kathmandu®
Sustainability Report
2019: Appendix



TABLE 1: GRI GENERAL STANDARD DISCLOSURES

IND.	DESCRIPTION	REFERENCE	PAGE #	NOTES
ORGANISATIONAL PROFILE				
102-1	Name of the organisation	Cover page	Cover page	Kathmandu Holdings Limited.
102-2	Activities, brands, products and services	Introduction	1	Kathmandu is an outdoor travel and adventure brand. We sell our own branded gear including other brands through our online, retail and wholesale network.
102-3	Location of headquarters	Our World	20–21	—
102-4	Location of operations	Our World	20–21	—
102-5	Ownership and legal form	This appendix	This appendix	Kathmandu is a publicly listed company. For more information, please see page 14 in our 2019 Annual Report.
102-6	Markets served	Our World, this appendix	20–21	Kathmandu sells products through our store network in Australia, New Zealand and the UK. We also sell online and have begun to sell through wholesale partners internationally.
102-7	Scale of the organisation	Our World, Our Team. Annual Report 2019	20–21	For full financial disclosures, please see pages 33 and 35 in our 2019 Annual Report.
102-8	Information on employees and other workers	Our Team, this appendix	64–71 Table 7 on pg 86	—
102-9	Supply chain	Our World, Our Suppliers, Our Products	20–21 22–31 32–45	—
102-10	Significant changes to the organisation and its supply chain	Our World, Our Suppliers, Our Products	20–21 22–31 32–45	—
102-11	Precautionary principle approach	Our Suppliers, Customer health and safety, Our Footprint	20–21 22–31 32–45	We use a precautionary approach across each department of the business to ensure we do not harm the environment or people.
102-12	External initiatives	Our Journey	18–19	We collaborate with specialist organisations to support our sustainability strategy and outputs. Collaboration is absolutely core to our development as a business.
102-13	Membership of associations	Our Journey, Our suppliers, Our Products, Our Footprint, Our Community	18–19	Collaboration is fundamental to our sustainability strategy and programme. Without our memberships, we would not understand the complexities of our impacts and outreach to global initiatives and communities.
STRATEGY				
102-14	Statements from senior decision maker	Chairman's and CEO's report	5	—
ETHICS AND INTEGRITY				
102-16	Values, principles, standards and norms of behaviour	Our Team	73	—

IND.	DESCRIPTION	REFERENCE	PAGE #	NOTES
GOVERNANCE				
102-18	Governance and structure	Annual Report 2019	Annual Report 2019	The Board guides the overall governance of our organisation. Please see pages 14 to 22 in our 2019 Annual Report for more information on our governance and structure.
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	Our Journey, Our Stakeholders	18–19 Table 4 on pg 83	—
102-41	Collective bargaining agreements	This appendix	Table 10 On pg 87	—
102-42	Identifying and selecting stakeholders	Our Journey, Our Stakeholders	—	—
102-43	Approach to stakeholder engagement	Our Journey, Our Stakeholders	18–19 Tables 4 & 5 on pg 83–84	—
102-44	Key topics and concerns raised	Our Journey, Our Stakeholders	18–19 Tables 4 & 5 on pg 83–84	—
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	Annual Report 2019	—	Kathmandu Holdings Limited, Milford Group Holdings, Kathmandu Pty Ltd, Kathmandu Limited and Kathmandu UK Limited.
102-46	Defining content and topic boundaries	Our Journey, Our Stakeholders, Our Impacts	18–19 Tables 4 & 5 on pg 83–84	—
102-47	List of material topics	Our Journey, Our Stakeholders, Our Impacts	18–19 Tables 4 & 5 on pg 83–84	—
102-48	Restatements of information	This appendix	—	No restatement this year.
102-49	Changes in reporting	This appendix	—	This is our third year using the new GRI Standards reporting framework.
102-50	Reporting period	This appendix	—	1 August 2018 to 31 July 2019.
102-51	Date of most recent report	This appendix	—	Kathmandu Sustainability Report 2019 (01/08/2018 – 31/07/2019).
102-52	Reporting cycle	This appendix	—	Annual (01/08/2018 – 31/07/2019).
102-53	Contact point for questions regarding the report	This appendix	—	Olivia Barclay olivia.barclay@kathmandu.co.nz
102-54	Claims of reporting in accordance with the GRI standards	Back cover	—	This report has been prepared in accordance with the GRI Standards Core option.
102-55	GRI content index	This appendix	—	This appendix.
102-56	External assurance	This appendix	—	Kathmandu has adopted numerous certifications, partnerships and programmes that verify our various sustainability initiatives. This report has not been externally assured.



TABLE 2: GRI TOPICS

TOPIC		REFERENCE	PAGE #	NOTES
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Suppliers	18–19 22–31 Table 5 on pg 84	
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	
407-1: Operations and suppliers in which workers’ rights to exercise freedom of association or collective bargaining may be violated or at significant risk		Our Suppliers	22–31	80% of our suppliers are in China. Due to the communist government, individual worker rights including freedom of association and collective bargaining are inevitably at risk. Collective bargaining is almost unheard of, and independent unions do not typically have any real power to leverage change in wages or working conditions. Updating our code of conduct and terms of trade documents; creating a new CSR strategy that puts more emphasis on performance and partnership and less emphasis on policing and compliance; investing in a new CSR professional services company specialising in sustainability and supply chain analytics’ designing and implementing customised programmes that reflect our unique supply chain; worker surveys and improved grievance mechanisms’ supplier training and education.
GRI 408: CHILD LABOUR				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Suppliers	18–19 22–31 Table 5 on pg 84	
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	
408-1: Operations and suppliers at significant risk for incidents of child labour.		Our Suppliers	22–31	Child labour is common in the international apparel industry, especially in Tier 2 and 3. We created and implemented a mandatory child labour and forced labour policy company wide. We also cemented a partnership with a consultancy specialising in advising businesses in child rights and improving the lives of children in supply chains across Asia.
GRI 409: FORCED OR COMPULSORY LABOUR				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Suppliers	18–19 22–31 Table 5 on pg 84	
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	
409-1: Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour		Our Suppliers	22–31	Forced labour is still common in the international apparel industry. Migrant workers are especially vulnerable to forced labour. China, Taiwan, Vietnam and Indonesia are all high risk for forced labour and these are all areas where we source our product. Created and implemented a mandatory child labour and forced labour policy company wide. Investing in a CSR professional services company specialising in sustainability and supply chain analytics with the ability to access worker voice through social media and anonymous worker surveys.

TOPIC		REFERENCE	PAGE #	NOTES
GRI 412: HUMAN RIGHTS ASSESSMENT				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Suppliers	18–19 22–31 Table 5 on pg 84	
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	
412-1: Operations that have been subject to human rights reviews or impact assessments		Our Suppliers	22–31	Nil.
412-2: Employee training on human rights policies or procedures		Our Suppliers	22–31	625 hours of training by 1,622 staff members (80% of all Kathmandu staff)
412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		Our Suppliers	22–31	Every one of our 101 factories has to enter into an agreement with Kathmandu, which includes signing and agreeing to abide by and be assessed against our code of conduct. A significant investment includes any and every supplier because no matter how much we spend with a supplier, our commitment to our stakeholders and shareholders is to invest our resources into our supply chain to ensure that human rights are protected.
GRI 414: SUPPLIER SOCIAL ASSESSMENT				
GRI 103: Management Approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Suppliers	18–19 22–31 Table 5 on pg 84	We are unable to quantify total weight or volume of materials that are used to produce or package Kathmandu’s primary products.
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	
414-1: New suppliers that were screened using social criteria		Our Suppliers	22–31	100%
414-2: Negative social impacts in the supply chain and actions taken		Our Suppliers	22–31	Excessive overtime, incorrect wages, workplace bullying and sexual harassment were documented in our supply chain. Actions taken included working with ELEVATE and the relevant suppliers to provide workplace training and improvement services, provide access to better systems and processes and identify which supervisors required assistance and a change in behaviour.
GRI 301: MATERIALS				
GRI 103: Management Approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Products	18–19 32–41 Table 5 on pg 84	
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	
No indicator				We do not collect recycled materials as a percentage according to topic indicator requirements. We collect data and information in accordance with the Higg Index and Textile Exchange reports.



TABLE 2: GRI TOPICS (CONTINUED):

TOPIC		REFERENCE	PAGE #	NOTES
GRI 303: WATER				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Products	18–19 32–45 Table 5 on pg 84	—
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	—
GRI 416: CUSTOMER HEALTH AND SAFETY				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Products	18–19 32–45 Table 5 on pg 84	—
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	—
GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services			42	Kathmandu takes customer health and safety seriously. Kathmandu has implemented practices to safeguard the wellbeing of its customers while instore and using their purchased products. Any health and safety-related incidents are treated as high priority and investigated accordingly with the appropriate corrective action to prevent reoccurrence.
GRI 418: CUSTOMER PRIVACY				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Products	18–19 32–45 Table 5 on pg 84	—
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	—
GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data			42	—
GRI 305: EMISSIONS				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Footprint	18–19 46–53	—
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	—
GRI 305-2: Energy indirect (Scope 2) GHG emissions			46–53	We account for our greenhouse gas emissions in alignment with the Greenhouse Gas (GHG) Protocol. Our emissions figures are derived from Scope 2 purchased electricity usage across our stores, distribution centres and support offices. Our emissions factors are sourced from government GHG reporting guidance documents published in each jurisdiction that we operate in. Our FY17 and FY18 Scope 2 emissions have been audited by Enviro-Mark Solutions and certified under the CEMARS programme.

TOPIC		REFERENCE	PAGE #	NOTES
GRI 305-3: Other indirect (Scope 3) GHG emissions			46–53	We have aligned our Scope 3 emissions quantification with the Higg Index. We used the CEMARS software platform to calculate Scope 3 emissions using the certification’s latest emission factors. Our FY17/18 Scope 3 emissions have been certified by CEMARS.
GRI 305-4: GHG emissions intensity			46–53	—
GRI 306: WASTE				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Footprint	18–19 46–53 Table 5 on pg 84	—
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	—
GRI 306-2: Waste by type and disposal method			50–51	—
GRI 401: EMPLOYMENT				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Team		—
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85	—
GRI 401-1: New employee hires and employee turnover			64–71 Table 8 on pg 87	—
GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees.			Table 3 on pg 82	—
GRI 401-3: Parental leave			64–71 Table 8 on pg 87	Only non-hazardous waste was disposed of
GRI 403: OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Team	Table 11 on pg 88	—
	103-2: The management approach and its components	Management Approach table		—
GRI 403-1: Occupational health and safety management system			Table 12 on pg 88	—
GRI 403-4: Worker representation in formal joint management-worker health and safety committees			Table 6 on pg 85	—
GRI 403-9: Work-related injuries			64–71 Table 13 on pg 89	—
GRI 403-10: Work-related ill health			64–71 Table 12 on pg 88	—
GRI 404: TRAINING AND EDUCATION				
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Team		—
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 84	—



TABLE 2: GRI TOPICS (CONTINUED):

TOPIC	REFERENCE	PAGE #	NOTES
GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes		64–71	—
GRI 404-3: Percentage of employees receiving regular performance and career development reviews		64–71 Table 6 on pg 85	—
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103: Management approach	103-1: Explanation of the material topic and its boundary	Our Journey, Our Team	—
	103-2: The management approach and its components	Management Approach table	Table 6 on pg 85 —
GRI 405-1: Diversity of governance bodies and employees		64–71 Table 15 on pg 90	—

TABLE 3: EMPLOYMENT

BENEFITS WHICH ARE STANDARD FOR FULL-TIME EMPLOYEES OF THE ORGANIZATION BUT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES	
Life insurance	
Healthcare	Yes – Oboz only
Disability and invalidity coverage	
Parental leave	Yes – Oboz only
Retirement provision	
Stock ownership	Yes – wider leadership team - Oboz only
Others	

TABLE 4: OUR STAKEHOLDERS

STAKEHOLDER GROUP	ENGAGEMENT MECHANISM	FREQUENCY OF ENGAGEMENT	KEY ISSUES RAISED
Customers	— Social media — Customer insights — In our stores — Our website — Via our customer services team — Summit Club member communication	Ongoing	— Animal welfare — Waste management — Community investment opportunities and sponsorship — Human rights in our supply chain — Product care and repair — Microfibres
Staff	— Performance mechanisms — Questionnaire and surveys — Dream Team meetings — Other engagement committees	Ongoing	— Health and safety — Waste management — Training — Sustainability leadership
Suppliers	— Meetings — Site visits	Ongoing	— Fair and open procurement practices — Fair working conditions — Environmental impacts — Product quality and safety
Factories	— Meetings — Site visits — Audits	Ongoing	— Fair working conditions
Local communities	— In our stores and offices — Community events — Social media — Website	Ongoing	— Our impact on communities — Social investment and sponsorship
Government and regulators	— Meetings — Reports — Site visits	Quarterly and as required	— Economic performance — Environmental impacts — Community impacts
Shareholders	— Our annual reports — Annual general meeting — ASX and NZX announcements — Website — Investor roadshows, briefing forums	Quarterly and as required	— Economic performance — All sustainability material issues
Industry associations	— Meetings — Reports — Workshops	Annually	— Environmental impacts — Community impacts — Human rights in our supply chain
Investment community	— ASX announcements — Website — Investor briefings and forums	Quarterly and as required	— ESG performance
Civil society and community organisations	— Social media — Requests for information	Ongoing	— Human rights in our supply chain — Environmental impacts — Fair working conditions — Product materials stewardship — Supplier management



TABLE 5: WHERE DO OUR IMPACTS OCCUR?

MATERIAL TOPIC IN ORDER OF PRIORITY	WHO IT APPLIES TO	WHERE IT APPLIES AND BOUNDARIES	LIMITATIONS
OUR SUPPLIERS			
Freedom of association and collective bargaining	Kathmandu factories and suppliers	Our supply chain	—
Child Labour	Kathmandu factories and suppliers	Our supply chain	—
Forced or compulsory labour	Kathmandu factories and suppliers	Our supply chain	—
Supplier social assessments	Kathmandu factories and suppliers	Our supply chain	—
OUR PRODUCTS			
Materials	Suppliers, Kathmandu	Our operations	Our overall sustainable materials percentage use against conventional materials is too complex to calculate to meet topic requirements.
Products and services	Kathmandu , consumers	Our operations	—
Customer health and safety	Kathmandu, consumers	Our operations	—
Product labelling	Kathmandu, consumers	Our operations	—
Water	Suppliers, Kathmandu	Our operations	—
Marketing	Kathmandu, consumers	Our operations	—
Customer privacy	Kathmandu, consumers	Our operations	—
OUR FOOTPRINT			
Economic performance	Kathmandu, investors	Our operations	—
Energy	Kathmandu	Our operations and stores	—
Emissions	Kathmandu	Our operations and stores	—
Waste	Kathmandu, customers	Our operations and stores	—
Transport	Kathmandu, supply chain	Our operations	We currently only have the information to report on sea freight and air freight port to port Scope 3 emissions.
OUR TEAM			
Employment	Kathmandu	Our operations	—
Occupational health and safety	Kathmandu	Our operations	—
Training	Kathmandu	Our operations	—
Diversity and equal opportunity	Kathmandu	Our operations	—
Compliance	Kathmandu, consumers	Our operations	—

TABLE 6: MANAGEMENT APPROACH

TOPIC	POLICIES AND MANAGEMENT	ACTIVITIES	EVALUATION	ACCOUNTABLE DEPARTMENT
Workers’ rights: freedom of association and collective bargaining, child labour, forced or compulsory labour, human rights assessment, supplier social assessment	Supplier Code of Conduct	We are members of the Fair Labor Association. Its 10 principles guide our Corporate Social Responsibility team’s strategy working towards accreditation in 2018. The 10 principles and strategy corroborates GRI’s workers’ rights indicators, which we respond to.	We assess our programme against the 10 FLA principles to ensure our programme is comprehensive for accreditation. We recently evolved our CSR strategy based on the evaluation process.	Quality and CSR
Materials, water	Azo Dyes Policy, Down Feather Policy, Leather Policy, Uzbek Cotton Policy, Nano-Silver Technology Statement of Intent, Perflourinated Chemicals Statement of Intent, Sheep Mulesing Statement of Intent, Man-Made Cellulosics Policy, Restricted Substances List.	Our materials priority list guides our materials sustainability strategy.	We participate in the Textile Exchange report rankings. We use the Higg Index as a key driver for better materials.	Product
Customer health and safety	We research and complete all compliance requirements before entering new products into the market.	Our quality department reviews products before entering the market. Market compliance research.	We review our research and completion processes to achieve continuous improvement.	Quality
Customer privacy	We have a stringent policy and process to protect the privacy of our Summit Club members and online account customers.	Our relevant customer services team are briefed on the details of the policy to ensure no breaches are made. Communication is highly prioritised with the customer following any incidents.	Reviews are completed on any incidents to achieve continuous improvement.	Customer Services
Waste	We issued a zero waste to landfill by 2018 strategy earlier this year. This strategy is core to the management approach.	We engage with all key stakeholders internally and externally in managing our operational waste.	We review our strategy goals and objectives twice a year to evaluate how we are managing waste.	Brand, Finance, Retail Operations
Carbon emissions	We have a goal to reduce our Scope 2 emissions by 20% by 2020 from 2012 levels. We have issued a carbon strategy that aligns with the CEMARS certification. We are also using the Higg Index as a guideline for understanding our Scope 3 emissions.	We report annually to the Carbon Disclosure Project. We annually offset our business staff air travel at a local offsetting and conservation project in Canterbury, New Zealand. Using the Higg Index.	We evaluate main sources of energy usage across Scope 2 and 3 areas.	Brand, Finance, Retail Operations
Team development: new employee hires and turnover, benefits for full-time employees, parental leave, occupational health and safety, training and education, diversity and equal opportunity	As part of our People Plan strategy, we integrate these material topics as part of our continuous improvement management approach.	We engage with all key stakeholders internally and externally in managing our strategy.	We conduct interviews and surveys as a way to inform our strategy approach.	Human Resources



TABLE 7: INFORMATION ON EMPLOYEES AND OTHER WORKERS (INCLUDES OBOZ)

	AUSTRALIA	NEW ZEALAND	UK	USA	TOTAL
BY EMPLOYMENT TYPE					
Full-time employees	384	317	5	24	730
Part-time employees	602	283	4	0	889
Casual	341	91	0	0	432
Total employees	1,327	691	9	24	2,051
BY CONTRACT TYPE					
Permanent	911	521	9	24	1,465
Fixed-term full-time	33	30	0	0	63
Fixed-term part-time	42	49	0	0	91
Casual	341	91	0	0	432
Total workforce	1,327	691	9	24	2,051
BY GENDER					
Male	567	258	6	7	838
Female	760	433	3	17	1,213
BY AGE GROUP					
<30	831	358	3	3	1,195
30–50	409	271	5	17	702
50+	87	62	1	4	154
BY CATEGORY					
Executive	3	7	0	1	11
Senior management	19	31	0	6	56
Management	322	169	4	4	499
Non-management	983	484	5	13	1,485

TABLE 8: HIRING AND TURNOVER (INCLUDES OBOZ)

		AUS	NZ	UK	USA			AUS	NZ	UK	USA
NEW HIRES						TURNOVER					
Permanent	Total	302	153	11	7	Permanent	Total	291	185	9	4
Indefinite	Total	320	133	2	0	Indefinite	Total	292	107	4	0
BY GENDER						BY GENDER					
Permanent	Male	109	63	6	5	Permanent	Male	120	65	7	4
Permanent	Female	193	90	5	2	Permanent	Female	171	120	2	0
Indefinite	Male	145	64	2	0	Indefinite	Male	131	46	2	0
Indefinite	Female	175	69	0	0	Indefinite	Female	161	61	2	0
BY AGE GROUP						BY AGE GROUP					
Permanent	<30	221	114	9	1	Permanent	<30	206	116	6	0
Permanent	30–50	70	35	2	6	Permanent	30–50	72	66	2	2
Permanent	50+	11	4	0	0	Permanent	50+	13	3	1	2
Indefinite	<30	276	110	0	0	Indefinite	<30	228	88	4	0
Indefinite	30–50	40	17	1	0	Indefinite	30–50	58	16	0	0
Indefinite	50+	4	6	1	0	Indefinite	50+	6	3	0	0

TABLE 9: PARENTAL LEAVE (INCLUDES OBOZ)

		MALE	FEMALE
1	Report the number of employees by gender that were entitled to parental leave.	611	874
2	Report the number of employees by gender that took parental leave.	1	51
3	Report the number of employees who returned to work after parental leave ended, by gender.	1	26
4	Report the number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work, by gender.	3	29
5	Report the return to work rate of employees who returned to work after leave ended, by gender.	100%	51%
6	Report the retention rate of employees who returned to work after leave ended, by gender.	60%	60%

TABLE 10: COLLECTIVE BARGAINING AGREEMENTS (INCLUDES OBOZ)

COLLECTIVE BARGAINING AGREEMENTS	
Percentage of total employees covered by collective bargaining agreements.	0



TABLE 11: OCCUPATIONAL HEALTH AND SAFETY (INCLUDES OBOZ)

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	
A statement of whether an occupational health and safety management system has been implemented, including whether: i. the system has been implemented because of legal requirements and, if so, a list of the requirements; ii. the system has been implemented based on recognised risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines	Occupational health and safety management system has been implemented because of legal requirements in the countries we operate in. - o Model Work Health and Safety (WHS) Act - o Model WHS Regulations - o Model Codes of Practice - o Occupational Health and Safety Act 2004 (Vic) - o Occupational Health and Safety Regulations 2017 (Vic) - o Health and Safety at Work Act (HSWA) 2015 - o Occupational Safety and Health Act (United States)
A description of the scope of workers, activities and workplaces covered by the occupational health and safety management system and an explanation of whether and, if so, why any workers, activities or workplaces are not covered.	Scope of workers – support offices, distribution centres, stores, casual, part-time, full-time, fixed-term. Activities include administration, logistics, customer service, sales, Stock management, manual handling, staff management, product management.

TABLE 12: WORK-RELATED ILL HEALTH (INCLUDES OBOZ)

ALL EMPLOYEES	
Number of fatalities as a result of work-related ill health	0
Number of cases of recordable work-related ill health	4
Main types of work-related ill health	Stress, repetitive strain injury (RSI)
ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANISATION	
Number of fatalities as a result of work-related ill health	0
Number of cases of recordable work-related ill health	0
Main types of work-related ill health	NA
WORK-RELATED HAZARDS THAT POSE A RISK OF ILL HEALTH	
How these hazards have been determined	NA
WORK-RELATED HAZARDS THAT POSE A RISK OF HIGH-CONSEQUENCE INJURY	
How these hazards have been determined	• Incident and near miss reporting • Regular safety inspections • Regular safety committee meetings • Risk assessments
Which hazards have caused or contributed to cases of ill health during the reporting period	Multiple
Actions taken or under way to eliminate these hazards and minimise risks using the hierarchy of controls	Multiple

TABLE 12: WORK RELATED ILL HEALTH (INCLUDES OBOZ) CONTINUED

WHETHER AND, IF SO, WHY ANY WORKERS HAVE BEEN EXCLUDED FROM THIS DISCLOSURE, INCLUDING THE TYPES OF WORKER EXCLUDED	
Workers that have been excluded from this disclosure	0
ANY CONTEXTUAL INFORMATION NECESSARY TO UNDERSTAND HOW THE DATA HAS BEEN COMPILED, SUCH AS ANY STANDARDS, METHODOLOGIES AND ASSUMPTIONS USED	

TABLE 13: WORK-RELATED INJURIES (INCLUDES OBOZ)

FOR ALL EMPLOYEES	
Number and rate of fatalities as a result of work-related injury	0
Number and rate of high-consequence work-related injuries (excluding fatalities)	0
Number and rate of recordable work-related injuries	138
Main types of work-related injury	Sprains and strains, bruising, cuts
ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANISATION	
Number and rate of fatalities as a result of work-related injury;	0
Number and rate of high-consequence work-related injuries (excluding fatalities);	0
Number and rate of recordable work-related injuries;	1
Main types of work-related injury	Bruising – leg
Number of hours worked	Unable to calculate hours for contractors
WORK-RELATED HAZARDS THAT POSE A RISK OF HIGH-CONSEQUENCE INJURY	
How these hazards have been determined	Near miss incidents
Which hazards have caused or contributed to high-consequence injuries during the reporting period	0
Actions taken or under way to eliminate these hazards and minimise risks using the hierarchy of controls	Engineering controls, administrative controls, substitution
ANY ACTIONS TAKEN OR UNDER WAY TO ELIMINATE OTHER WORK-RELATED HAZARDS AND MINIMISE RISKS USING THE HIERARCHY OF CONTROLS	
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked	NA – no rates calculated
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded	NA
Any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, and assumptions used.	NA

TABLE 14: PERCENTAGE OF TOTAL EMPLOYEES BY GENDER AND BY EMPLOYEE CATEGORY WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW DURING THE REPORTING PERIOD (INCLUDES OBOZ)

	EXECUTIVE	SENIOR MANAGEMENT	MANAGEMENT	NON-MANAGEMENT	TOTAL
Number of employees receiving performance reviews/ appraisals	11	56	499	1,053	1,619
Male	9	38	179	409	627
Female	2	18	320	631	968
Total number of employees	11	56	499	1,485	2,051
Percentage of employees receiving performance reviews/ appraisals	100%	100%	100%	70.91%	78.94%

TABLE 15: DIVERSITY (INCLUDES OBOZ)



