

Accent Group



Accent Group Sustainability Report 2022

CEO's message



I am pleased to present to you the first standalone Sustainability report for Accent Group.

In a year which has brought us many trading challenges, I am delighted that we have strengthened our commitment to maintaining sustainable business practices which reflects the expectations of our team members, customers, and shareholders.

Our Sustainability Framework drives the environmental, social and governance activities across the business and focuses our commitment on our people, our responsibilities, and our environment.

Whilst we are early on this important journey, we are committed to making a positive impact on the people and environments in which we operate. We will learn, sometimes make mistakes but more importantly we will focus on "making it happen" across Accent Group.

A handwritten signature in black ink, appearing to read 'Daniel Agostinelli'. The signature is fluid and cursive, written over a light gray background.

Daniel Agostinelli
Chief Executive Officer – Accent Group

ABOUT THIS REPORT

This report has been prepared by Accent Group Limited (**Accent Group** or **Group**).

The report was reviewed internally by our Environmental and Social Governance Steering Group, subject to limited assurance and approved by management and the Board of Accent Group before being released to market.

It covers Accent Group's operations across Australia and New Zealand, including our store network, support offices and warehouse for the period 28 June 2021 to 26 June 2022. All financial figures are reported in Australian dollars.

More detailed financial information can be found in the Group's 2022 Annual Report, available on our website www.accentgr.com.au. Our website also includes our Ethical Sourcing Policy, APCO 2021 Action plan and our FY21 Modern Slavery Statement.

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Key achievements in financial year 2022



Our People

65:35

female to male ratio

2.1

total recordable injury frequency rate
31% improvement

Enhanced and digitally delivered
HEALTH AND SAFETY TRAINING
for all retail team members



Our Responsibilities

86%

of tier 1 factories audited

\$450k

donation to headspace and NZ Youth Line over next 3 years

95%

of team members completed cybersecurity training



Our Environment

58,384

pairs of shoes recycled across 229 collection points

94%

of store-based team members completed online recycling training

Launched our
Carbon Emissions Project

About us

Accent Group is a leading omni-channel consumer business in the retail and distribution sectors of branded performance and lifestyle footwear and apparel. In the reporting year FY22, we operated 726 retail stores and 36 websites across 26 retail banners in Australia and New Zealand.



In April 2021, Accent Group acquired Glue Store retail and wholesale brands businesses, which increased our store footprint by 22 stores and brought with it brands such as Article One, Lulu & Rose, Nude Lucy, and Beyond Her. We have also concentrated on expanding our own branded labels to 10 in total with the introduction of Stylerunner the Label and Exie. We now hold exclusive distribution rights for 18 international brands across Australia and New Zealand.

All our operations are located within Australia and New Zealand, and include the following activities:

MULTI-BRAND RETAIL OPERATIONS:

The retail stores and websites through which we sell third-party and own-branded merchandise, including a range of Australian and International footwear and apparel brands.



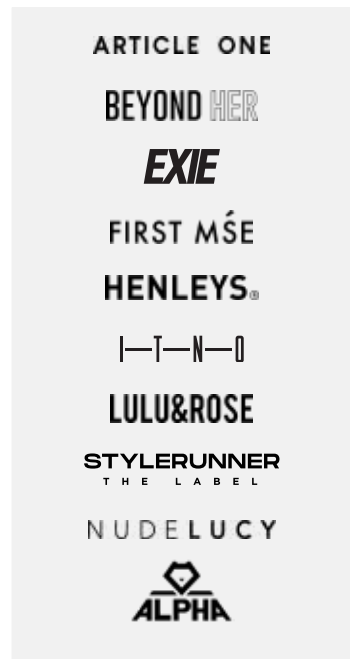
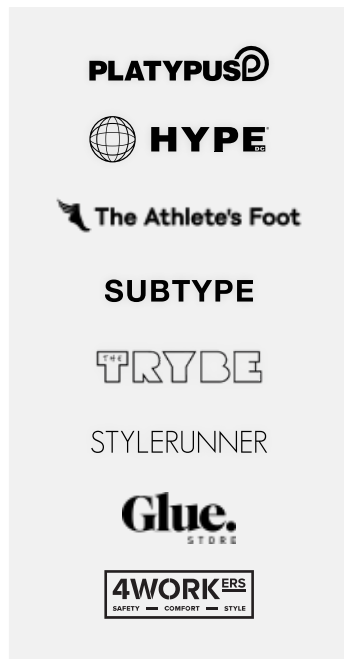
DISTRIBUTED BRANDS:

We hold exclusive distribution rights for a range of global footwear brands across Australia and New Zealand. We sell merchandise from these brands in our multi-brand and stand-alone retail operations and online. We also sell merchandise from these brands to other retailers on a wholesale basis.



ACCENT OWNED BRANDS:

We source finished merchandise across footwear, apparel, and accessories, created specifically for Accent owned brands that we source directly from third party agents and factories for direct retail and wholesale.



Our commitment to business sustainability

At Accent Group Limited (**Accent Group** or **Group**), we are committed to building and maintaining sustainable business practices throughout our operations to be an employer of choice for team members, meet our customers' expectations and deliver long-term value to our shareholders.

Our Environmental and Social Governance (**ESG**) Framework is a key enabler of our growth and ensures we create value through our influence and effective use of resources. The framework was developed internally with the engagement of key stakeholders across the business including team members, advisors, brand partners and was also informed by a review of market best practice.

The Accent Group ESG Framework is used to drive the ESG agenda through the business, and focuses our commitment on three key pillars: our people, our responsibilities and our commitment to the environment.

Our People Come First – because we would not be where we are without them

Our Responsibilities – we have a corporate responsibility to always act with integrity and with an ethical purpose. We support the communities in which we operate and understand the importance of maintaining the security of the information we manage.

We care for **our Environment** and commit to initiatives to improve the impact we have on the planet.

Our ESG steering group governs the sustainability agenda and drives the Company's ongoing commitment to the environment, health and safety, corporate social responsibility, sustainability, and other public policy matters. The ESG steering group has a broad representation within the business and is charged with supporting leaders across the Company to align their respective business strategies with evolving ESG strategies. The ESG steering group is chaired by our Group Head of Sustainability who also provides updates and reports on sustainability initiatives and risks to our Audit and Risk Committee and to the Board.



Mission Statement

To be the market leading, digitally integrated retail and distribution business in the performance and lifestyle market for footwear, apparel and accessories in Australia and New Zealand.



Our Purpose

We are a people led business that is customer obsessed at all times.
We exist to compete and we are committed to providing the best possible customer experience, together with driving a culture in which our teams can thrive.
We are continuously strengthening our brands and products to improve our competitive position.

ACCENT SUSTAINABILITY PILLARS

At Accent we *"Make it Happen"*



Our People

Our people come first



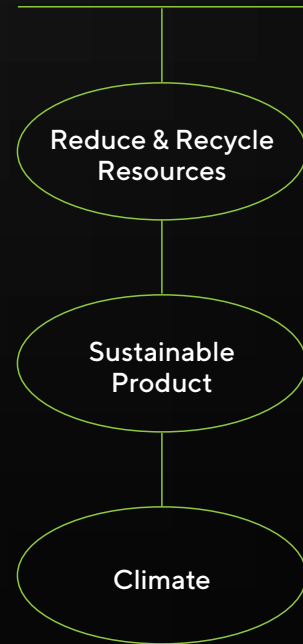
Our Responsibilities

We act with integrity



Our Environment

We care for our environment





Our people come first

Our team members are our most valuable asset. We recognise that the performance of Accent Group is driven through the quality and motivation of our people, with 7500 team members employed across Australia and New Zealand.

Our Ways of Working



People Focused

Our People are our biggest asset. We are therefore focused on creating a great environment for our People to work in. This essentially means building the environment that helps to champion our people and to bring out the best version of themselves, so they are committed to lead and relentlessly deliver results, every day.



Innovation Driven

We are a winning company that is innovation oriented, keeping us in front of the curve and always on the cusp of something bigger. We at Accent, are constantly looking for ways to surprise and delight our Customers, be it launching the best new concepts in the market, opening new stores or investing in new technology. We are a dynamic, fast-paced organisation. We never sit still and we will never mature.



Results-oriented

We are a results-oriented organisation. We at Accent have a continuous drive to “Make It Happen”.

- Make It Happen means:
- Do It Now
 - Taking accountability for yourself
 - Delivering the result
 - Keeping promises



INVESTMENT IN OUR PEOPLE MANAGEMENT SYSTEMS

This year we implemented a new human resources platform called Dayforce which is designed to positively influence all elements of the employee life cycle and provide an improved experience to our team members. Dayforce allows our team members to streamline and manage processes such as recruitment, onboarding, leave applications, compensation and provides greater visibility over who is who at Accent Group through a live organisational structure tool.

Given the success of the core Dayforce implementation, we have extended the platform to include a Learning Management System to house our team member training modules. This extension will also include a Talent Management System to manage our talent identification and succession planning initiatives.



TEAM ENGAGEMENT SURVEY One group. Your voice. Be heard.

Our 2021, Team engagement survey provided the opportunity for all team members to give feedback about their experiences working at Accent Group.

The survey highlighted both the areas in which we are doing well and areas for improvement.

Based on the insight gained from this survey on where we could do better and with the overarching objective of improving team member engagement, the business developed initiatives across various channels, including:

CULTURE AND VALUES

We redesigned the Group values and will continue to support team member engagement of these through group training programs and reward and recognition opportunities.

CAREER DEVELOPMENT

A Group Learning and Development division was created in the People and Culture team which has supported a centralised execution of career development and capability initiatives. This team will also manage the Dayforce Learning Management platform through the creation and rollout of group training programs.

REWARD & RECOGNITION

A program has been built to ensure team members are recognised for their efforts. This will consist of value-based recognition programs across the Accent Group values, a peer-to-peer recognition initiative and service recognition awards to recognise tenure across the group.

DIVERSITY, INCLUSION & SUSTAINABILITY

While continuing to build on Accent Group's strength of a creating diverse and inclusive workplace, the business has also invested in more sustainable working initiatives around reducing and recycling resources across the organisation including our support centres, warehouses, and our stores.



Health and safety

At Accent Group, we are committed to providing a safe working environment and protecting the health and safety of our team members, customers, and visitors. Our objective is to continuously improve our safety performance across all aspects of health and wellbeing. This is in part achieved through the regular monitoring of key safety metrics, and the implementation of risk mitigation strategies to reduce the risk of workplace injury and lost time.

Our dedicated Accent Group Safety Business Partner is charged with managing and driving occupational health and safety risk mitigation strategies and initiatives, such as general safety training, ladder safety, physical and mental first-aid training, and driving cross-functional knowledge sharing. The Accent Safety Steering Group drives safety engagement across the business and includes members from both operational and leadership roles. This group is chaired by the Safety Business Partner and acts as a conduit between site-based safety teams and management and helps to increase the visibility and escalation of issues.

HEALTH AND SAFETY TRAINING

In April 2022, we launched a digitally delivered and enhanced health and safety training program for all retail team members on matters related to occupational health and safety.

The modules covered key topics such as:

- Ladder safety
- Manual handling
- Stress management
- Slips, trips & falls
- Violence in the workplace
- Incident reporting

The purpose of the modules was to ensure team members are educated and kept informed of occupational health and safety risks and responsibilities and improve reporting on incidents.

Along with the safety modules, and as a response to the heightened need for support and respect of our store-based team members, we developed and implemented training to assist our team members on how to handle difficult situations in stores. This was a further commitment to ensure that our team members feel safe in their roles.

PERFORMANCE AND PROGRESS

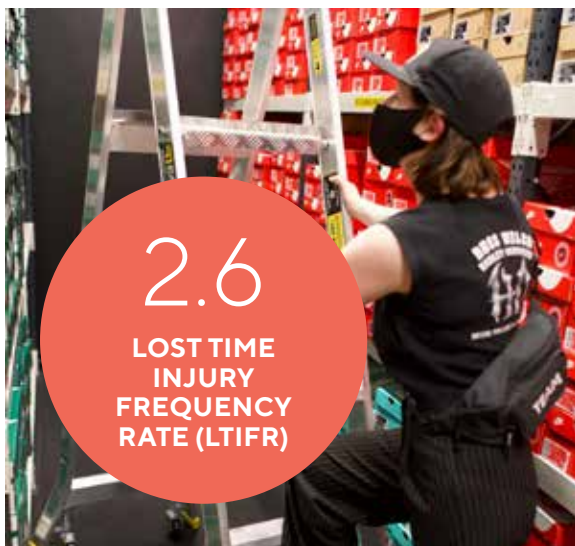
We aim for continuous safety improvement year on year across Accent Group through our training programs, emphasis on reporting and implementation of risk mitigation strategies.

Our Lost Time Injury Frequency Rate (LTIFR) for FY22 was 2.6, which was a decrease from last year's LTIFR of 3.75.



Total Recordable Injuries (TRI) increased from 79 last year to 101 this year and whilst we have seen an increase in TRI this year, there have been less incidents involving a team member being required to take time off work. This increase is also a reflection of the greater number of team members across the business.

In the second half of FY22 we identified an increase in ladder related incidents, which had previously been on the decline. In response to this we are launching a follow-up ladder audit in the first quarter of FY23 to assess the ladders across the wider business and ensure all stores have safe and compliant ladders and that team members are trained on ladder use and risk identification.



This will happen in conjunction with a roll out of new safety posters with updates to include information on customer aggression, using compactors safely and other occupational hazards.

PROTECTING OUR TEAM MEMBERS

In line with State government health advice and feedback from our team members gathered through a survey, Accent implemented a mandatory team member vaccination policy across our support offices in Australia and New Zealand. Additionally, we followed vaccination requirements and health guidelines for front line team members in each relevant State or region. The program to support this policy was designed to protect the health and safety of our team members and customers. In order to track the vaccination status of our team members in line with relevant vaccination requirements, 15,000 vaccination certificates were submitted, recorded and validated within the Group’s central HRM system.

For the 4th consecutive year since inception, we ran our Flu Vaccination program across our support offices with a great response from team members with 198 vaccinations being administered. We look forward to continuing to offer this benefit again in FY23. Not only does this have a great health benefit for the team, but it helps to reduce absenteeism due to illness across the winter months.

MENTAL HEALTH & WELLBEING

We also recognise that our team members health extends to both their physical and mental well-being. Accordingly, team members are supported through an Employee Assistance Program and critical incident support mechanisms provided by Benestar.

This year, **mental health first aid training** was delivered to our key First Aid Representatives, and we have a plan to **extend this training to our Area, State and National Managers in FY23**. Mental health will continue to be a key priority for the Group, with a number of newly planned initiatives set to be implemented across the business in the coming year. This will include a series of training programs to ensure that our team members are better prepared to identify mental health issues and are equipped to support each other.



Diversity and inclusion

Accent Group is committed to creating and maintaining a workplace culture that celebrates diversity and embraces inclusivity. Our community is diverse by nature, so it follows that our workforce should be reflective of our community and customers.



The Melbourne CX and People Team celebrated the end of Pride month with a morning tea and some stylish colourful outfits. We are proud to work at Accent where we are free to be ourselves!

It is important that we foster an environment of mutual respect, dignity, learning, openness to other cultures and an appreciation of differences. Dimensions of diversity at Accent Group include, but are not limited to, age, gender, race, national or ethnic origin, physical ability, disabilities, religion, language, family/marital status, and sexual orientation.

Our commitment is reflected in the Group's [Diversity and Inclusion Policy and Code of Conduct](#). To further support this, we support the following initiatives that encourage diversity and create a fair and inclusive environment across Accent Group:



Recruitment and Selection Training - With a focus on driving consistent outcomes through our recruitment process and finding the best talent for any given role, a recruitment and selection training program was developed and began to be delivered across the Group in June 2022. This training emphasises our commitment to cultural diversity and a non-biased approach to selecting the best person for each role. The key theme from the training was to focus on individuals who can do the job (technical proficiency), will do the job (motivation) and will fit our cultural values.



Go to Market Campaigns - Our teams have taken a proactive approach to communicating with their customer base to ensure that campaigns reflect the diverse nature of their customers. A key area of focus for our teams has been to better understand the profile of our customers so we can build closer connections and actively engaging with them across our store network and online platforms. This insight informs our campaigns to ensure a wide and diverse group of individuals or sectors of our community are represented.



At Platypus

The Platypus brand has been instrumental in gender and diversity inclusion through its marketing campaigns by ensuring that campaigns feature talent or team members from different backgrounds and experiences. Imagery is not re-touched across campaigns be that large scale executions or digital, furthermore, merchandise within Platypus stores is displayed by brand and not gender.

Platypus has signed GFLIP as the Brand Ambassador. GFLIP is a non-binary creative talent who is an influential figure in the LGBTQ+ community. The partnership launched as part of the Platypus "All of Me" campaign. Platypus was also the exclusive stockist of the Crocs x GFLIP collaboration.

An Acknowledgement of Country commitment was brought to life across all Platypus stores in June 2022 through the installation of permanent signage at each store entrance.



Platypus Shoes acknowledges the Traditional Custodians of this land throughout Australia. The Traditional Owners and Custodians of the land this store is situated upon. We recognise their strength and connections to the land, sea and community. We pay our respect to their Elders past and present and emerging, and to all Aboriginal and Torres Strait Islander people that experience this space today.

www.platypushoes.com.au



At Stylerunner

Stylerunner campaigns empower our customers to feel confident and active, everyday. We ensure our marketing campaigns are inclusive and promote the essence of being Bold, Fresh and Confident.



At Hype DC

Within the Hype DC business, we pride ourselves on our values of Authenticity, Honesty, Accountability, and Inclusivity. We promote inclusivity through all campaign and brand-led content by featuring team members, customers or our own community connections.

GENDER EQUALITY

Accent Group is focussed on promoting and improving gender equality in the workplace. Our Diversity and Inclusion Policy includes a requirement for the People and Remuneration Committee to recommend to the Board measurable objectives for diversity on an annual basis. It also includes a requirement to assess the Group's progress towards achieving them. The following table sets out the Group's agreed targets set down on the 18th of August 2021.

Measurable objectives	Target %	Target date	% Female Representation		
			FY21	FY22	
Improve representation of women in leadership positions	Board	30%	30 June 2024	14%	14%
	Senior executives	To increase the percentage of female to male senior executives		61%	59%
Improve representation of women in balance of workforce	Total employees	To report annually on the movement in the % of females to males which currently sits above 50% for the balance of the workforce, with further objectives set as required to ensure a broad community representative balance of females and males		60%	65%

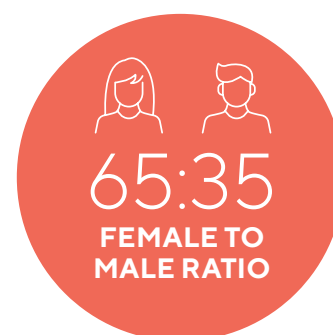
As part of our commitment to a diverse and inclusive workforce and confirmation of the progress we are making towards gender equality, Accent Group completes the annual Workplace Gender Equality Agency (**WGEA**) report on the 31st of March each year. The current breakdown of gender representation in the Group, as at the 31st of March 2022 as reported in accordance with the *Workplace Gender Equality Act 2012*, is as follows:

FY21	Total number	% of women	% of men	FY22	Total number	% of women	% of men
Board	7	14%	86%	Board	7	14%	86%
Senior managers*	89	61%	39%	Senior managers*	91	59%	41%
Other managers	653	66%	34%	Other managers	711	69%	31%
Other employees	4,572	59%	41%	Other employees	5,775	64%	36%
Total	5,321	60%	40%	Total	6,584	65%	35%

* Senior managers are those individuals who collectively participate in determining and implementing major operational and strategic initiatives at the business unit level and who are responsible for the results of their respective business units.

** The implementation of Ceridian Dayforce has allowed Accent Group to expand the gender classification in late FY22.

Parental Leave: Achieving balanced leadership is about creating a workplace that enables career progression. Our paid parental leave policy extends parental leave to eight weeks for the primary carer and provides two weeks for the secondary carer. In addition to paid parental leave, Accent Group supports flexibility in transitioning parents back to work with flexible work arrangements.





➔ These activations were brought by the Accent Group initiative of Stamp your Feet.

**STAMP
YOUR
FEET!**



International Womens Day

To celebrate International Womens Day on the 8th of March 2022, we held a number of activities including a panel discussion with team members across the Group. These strong, diverse and independent women shared their individual stories on courage, influences and future challenges. This was broadcast to all team members (including store team members) via a video link.



International Mens Health Week

We also supported the 2022 International Mens Health Week, with a series of activations across the support offices with a focus on supporting the health of our team members. Team Members shared their heath journeys and there was a focus on physical activity to support health and wellbeing.



Training and development

A commitment to the ongoing training and development of our team members is critical to our success and sustainability as an organisation. Our objective is to provide training and development opportunities to support and improve our ability to continually attract, grow, retain, and support our team members.

We have made significant progress on the content development of a set of foundation training modules, designed to create awareness and education in the areas of workplace safety, compliance, and legislative requirements. These are digitally integrated into our online learning management system.

1. BULLYING & HARASSMENT

Our Bullying & Sexual Harassment framework was upweighted through the execution of a comprehensive Bullying and Harassment training module implemented in March 2022. We have zero tolerance for harassment (including sexual harassment), bullying, discrimination and any other act or omission which deviates from our Code of Conduct. We strive to create a safe, inclusive, and diverse workplace for our team members.

2. CUSTOMER AGGRESSION

While we know the vast majority of our customers respect our policies, people and places, there may be times, when we encounter customers who either do not comply with our requests, or who become frustrated, and even aggressive in our stores, whether their behaviour is directed to us, or other customers. The Customer Aggression training implemented in April 2022, provided guidance and instructions on how to handle customer aggression, including customer harassment.

3. SAFETY

Our Team Member's wellbeing is extremely important to us, and we are committed to protecting their physical and mental wellbeing in our work locations. This year saw an enhanced safety training module released to our team members via a digital platform. The primary objective of our workplace safety programs is to help prevent workplace injuries and illnesses, educate our team in the best way to manage safety risks in our workplace and ensure our team feel supported by the business in relation to health and safety situations.



“Our People” Commitments for FY23

- Improve our health and safety performance and undertake a ladder audit
- Extend mental health training to our Area, State and National Team Leaders
- Selection and Recruitment training to be delivered to all hiring managers with a focus on cultural diversity and non-binary approach to selecting the best person for the role
- Cascade the Accent Group Cultural values and support team member engagement through training programs and reward and recognition opportunities



Our responsibilities – we act with integrity

MODERN SLAVERY

Accent Group is committed to operating responsibly and ensuring that no one involved in our operations (including employees, customers, and community members) are subject to exploitation in the workplace and therefore cannot refuse or leave work because of threats, violence, coercion, abuse of power or deception. We recognise that our supply chain is not immune from modern slavery practices. In response we have developed a framework for engaging with our suppliers to identify and manage the risks of these practices occurring.

We submitted our first Modern Slavery Statement to Australian Border Force in November 2020, with our most recent statement submitted in December 2021. Copies are available from our website (www.accentgr.com.au/investor/investor-information). Our statement details Accent Group’s commitment to maintaining policies and procedures to operate responsibly and to manage modern slavery risks in our operations and throughout our supply chain.

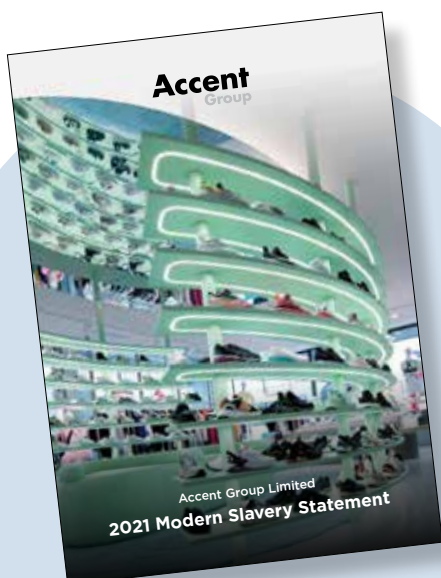
Accent Group’s Audit and Risk Committee has delegated responsibility from the Board for monitoring the Group’s risk management framework and to ensure that the Company’s responsibilities and obligations regarding modern slavery are managed. Our Group Sustainability Manager works cross functionally within the Group and is responsible for monitoring the day-to-day modern slavery risk management activities.

ETHICAL SOURCING

In further support of our modern slavery commitments, we issued the Accent Group Ethical Sourcing Policy to our brand partners and vertical suppliers in April 2021 (www.accentgr.com.au/investor/investor-information). This policy was also included in Accent Group’s Terms of Trade.

The Ethical Sourcing Policy is guided by the Ethical Trading Initiative (ETI) Base Code and International Labour Organisation (ILO) standards and outlines four key expectations of Accent Group’s suppliers. These expectations include:

- **Business Integrity and Ethics:** including requirements for suppliers to comply with all relevant laws and regulations and to operate in an ethical manner.
- **Labour Standards and Human Rights:** including the rights to freely chosen employment, fair remuneration, prohibition on the use of child labour, as well as the freedom from discrimination and harsh or inhumane treatment.
- **Healthy and Safe Working Conditions:** including minimising occupational hazards through emergency preparedness, training provision and machinery safeguards.
- **Environmental Protection:** including efforts to reduce their environmental impact and improve performance over time.





OUR SUPPLY CHAIN

The primary operations of our business remain in the retailing and wholesaling of merchandise. Our sourcing involves the acquisition of finished goods (merchandise) from trade suppliers as well as the design and direct production of merchandise for Accent Group owned brands from agents and factories. Our growth through opening new stores and online retailing has not significantly altered the range of non-trade goods and services that are sourced to support our operations.

Supply chain segment	Category	Description
Trade suppliers – merchandise for sale and distribution	Supplier sourced distributed and/or exclusive brands	Footwear and apparel merchandise that we source for direct retail and wholesale, e.g., Skechers, Vans, Dr Martens.
	Supplier sourced third party brands	Footwear and apparel merchandise that we source solely for direct retail e.g., Nike, Adidas.
	Accent owned brands	Merchandise across footwear, apparel and accessories designed and directly produced for Accent Group owned brands that we source from third party agents and factories for direct retail and wholesale e.g., Platypus-branded socks, Stylerunner the Label apparel and brands under Glue Stores such as Nude Lucy and Article One.
Non-trade suppliers – goods and services not for resale	Logistics and warehousing	Freight and warehousing services used to transport purchased goods to our warehouses, store goods prior to sale and transport sold goods to customers.
	Leasing and store development	Leasing of retail stores from landlords as well as store design and fit out.
	IT services	IT hardware and software used in retail stores and websites, and in the retail support services.
	Marketing	Advertising and marketing services and products, including printing.
	Corporate services	Professional services, corporate office operational services, employee recruitment, and banking.
	Store operations	Store operations such as electricity, cleaning, security and repairs and maintenance, and store consumables

RISK ASSESSMENT

Within the footwear and apparel sector, the risks of modern slavery exist across the full value chain, ranging from the harvesting and processing of certain commodities (e.g. forced labour in the cotton and leather supply chains) to the manufacturing process itself (e.g. exploitative conditions and forced labour in production factories). Within our retailing business, there are also modern slavery risks within new store development (e.g. construction materials) and operations (e.g. cleaning and security). Typically, any activities requiring lower skilled and high labour-intensive work that tend to attract more vulnerable workers are therefore sources of modern slavery risk. These areas are our focus.

INHERENT MODERN SLAVERY RISKS FOR ACCENT OWNED BRANDS BY LOCATION

We have greater leverage and access to information when sourcing Accent Group owned brands. For this reason, we have and will continue to focus here because we can have a greater impact.

We are also especially committed to understanding the risks within this category as it constitutes a strategic priority for the business as we plan for continued growth. Ensuring we implement strong risk assessment and due diligence processes is therefore critical.

With greater visibility we have been able to improve the quality of our supplier data within this category, which in turn supported the more detailed modern slavery risk assessment that we undertook in the latter half of 2021. In the research conducted into the suppliers of our Accent owned brands, the majority of our suppliers in this category were rated inherently high for risks of modern slavery as their sourcing location was based on the country of manufacture, which for the suppliers of Accent owned brands is primarily in China. This enabled a more tailored risk assessment and deeper analysis which we are using to target our direct supplier engagement.

The outcomes of the modern slavery risk assessment for these Accent owned brands are outlined below. Given the reasonably high level of risk across all types of modern slavery considered, we have undertaken key activities to educate our teams, improve our supplier on-boarding and engagement as well as investing in a system to improve our traceability.

Key Outtakes as at the end of FY22 for Accent Own Branded Suppliers:

- We have **71 approved suppliers** who have passed through the Accent on-boarding process
- Of these suppliers, we work across **80 approved factories**; of which **89%** are in China
- **63 Factories are Tier 1** (Cut, Measure and Trim) and **86%** have submitted an up-to-date social compliance audit.

Accent Owned Brands Modern Slavery Risk Assessment

Colour indicates the Inherent Risk Level, Size represents number of relationships





OUR PROGRESS

To support our teams, a bespoke training program covering modern slavery and ethical sourcing was delivered to our key buying and sourcing teams across all Accent Group businesses. The training focused on aspects of “Responsible Sourcing” and how our purchasing behaviours can drive labour rights improvements across our supply chain. The training was conducted by an industry expert and after the initial Buying/Production team were trained, the decision was made to extend the training to the wider business including the senior executive team.

We also developed a new supplier onboarding process for suppliers of Accent Group owned brands, which was implemented in July 2021, and requires a formal and staged approval process. The General Manager of each division and the Group Sustainability Manager must both approve the supplier following an assessment of the suppliers’ suitability. Prior to onboarding, suppliers must have signed our Ethical Sourcing Policy and demonstrate that a valid ethical compliance audit has taken place.



The Accent Group **‘Manufacturing Agreement’** was also created and endorsed during the reporting period. This sets out the terms which our suppliers must agree to in order to manufacture and supply products to Accent Group, and includes compliance with the Ethical Sourcing Policy. This agreement applies to all suppliers of Accent owned brands and is expected to be signed off by all relevant suppliers.



- Supplier Information
 - Audit Management
 - Corrective Action Plans
- Follow Up Tasks
 - Factory Information
 - Supply Chain Reporting
- Supplier/Factory Relationships
 - Collaboration
 - Sustainability



During 2021, Accent Group implemented a **software platform called OSC (Our Supply Chain)** which enables us to record and manage our suppliers, factories and sub-contractors across Accent Group owned brands. For further information visit www.oscdata.com. The system records and measures our traceability % across all stages of production and enables us to store supplier and factory information including social compliance, audit reports, corrective action plans (CAPs) evidence, certifications, sustainability and environmental attributes and chain of custody requirements. This will thereby strengthen our traceability of suppliers and factories.

To further encourage continuous improvement in this area, we have also **engaged with our key international brand partners** to better understand their activities, and work to foster collaboration in key areas of ethical sourcing and environmental impact. The learnings from these engagements will be implemented into our broader supplier and sourcing activities.





“Our Responsibilities” Commitments for FY23

- Continue to educate our team members through a series of training programs. We will dive deeper into traceability training for our Accent Owned brands teams
- Ensure all suppliers have a valid social compliance audit and updated corrective action plan
- Reach beyond Tier 1 and 2 supplier engagement for suppliers of Accent Owned brands
- Continue to engage with our brand partners and key suppliers across our supply chain to better understand their activities to support ethical sourcing



Community Partnerships

Accent Group values participation in and supports the communities in which it operates. In a year where many communities and businesses were impacted by COVID-19, natural disasters, and increased need for mental health support, we are incredibly proud to have strengthened our support for numerous causes over the last year.

This year we launched “**Stamp your Feet**”, an Accent Group initiative created to support key charities, community groups and help raise funds and build awareness of important social issues.

Accent Group Proudly Supports

headspace (AU)

Accent Group has partnered with headspace AU. headspace is a mental health service that provides a range of services to the youth of Australia. This partnership consists of Accent Group donating \$100,000 a year for 3 years and includes Supportive Conversation Training, mentorship programs and the creation of a digital series of training programs.



Youthline (NZ)

Accent Group NZ has partnered with Youthline. Youthline is the largest youth service for mental health and safety in New Zealand. Accent Group has committed to donating \$50,000 a year for 3 years to Youthline NZ. Youthline NZ will also run Mental Health Awareness Training for the Accent Team.



headspace Launch in the Melbourne Support office

The mental health of our Accent community, our team members, customers, and all individuals we interact with is of utmost importance. Through Stamp Your Feet we will contribute financially to mental health via a corporate donation under Accent Group and through a Workplace Giving Program available to our team members to participate in.

Further to this, we will be integrating key initiatives across our business including mental health training for our leaders with a focus on “supportive conversations”. These sessions will be kicked off in August 2022 and will allow Accent Group to upskill approximately 100 team members including our CEO, the Executive Team, General Managers, Business Heads, National Leaders, State Managers and Area Managers – essentially all senior leaders who look after team members, with particular focus on our store-based teams.

The sessions will be run with qualified clinical teams supported by headspace. We see this as a key opportunity to upskill our leadership teams with an important skill of detecting mental health illness or concerns within our teams.



The reach of our Brands

Our community engagement also extends to our key brands across our business. Here are a selection of initiatives that have landed this year.



The Athletes Foot



The Athlete's Foot is a proud partner of parkrun across both Australia and New Zealand. **Parkrun** is a series of free, weekly, timed events. There are runs suitable for adults as well as junior parkruns suitable for children aged 14 years and over. As part of the partnership, The Athlete's Foot contributes to supporting the community by encouraging people to keep healthy, fit and active through the weekly parkrun events that are easily accessible to all.

At The Athlete's Foot we are incredibly proud to partner with **NETFIT Netball**, a global netball community that provides fitness session and workshops to netballers of all ages, backgrounds & capabilities. Alongside the NETFIT team, The Athlete's Foot help deliver NETFIT clinics across Australia & New Zealand to support local netballers by providing access to information, training and advice on achieving sporting goals.



Threadtogether Day

Thread Together is a not-for-profit organisation that collects merchandise from retailers around the country and delivers it to people in need with the support of volunteers.

The Athlete's Foot & Stylerunner Team volunteered their time to help sort, fold, pick and pack items that went to victims and families of the floods in QLD and Northern NSW. The team sorted through and packed close to 5000 units that were sent directly to the affected areas.



The reach of our Brands



Local Schools Program

The Athlete's Foot School rewards program donates \$5 from each shoe purchase back to registered schools. This program is key to the commitment that The Athlete's Foot team has to empowering children by supporting their growth & education.

India Wallbridge from Macarthur Square TAF store donates to Wollondilly Anglican College



Vans

The Accent Group Vans team has continued its relationship with "Build-Up Skateboarding" in facilitating skateboard workshops and demonstrations across the Northern Territory and Western Australia. The schedule this year has grown with over 15 communities being visited between March and July 2022.

The workshops offer children in these communities an opportunity to build confidence, creativity, and perseverance through healthy risk-taking choices. The team works alongside community members to ensure an appropriate program delivery with local staff and young leaders trained in facilitating a fun and safe environment.

The workshops consisted of helping build ramps, setting up skateboards and learning the basics of skateboarding in general from VANS athletes.



Skechers

Skechers has thrown its support behind COVID nurses at Melbourne's Northern Health Hospital, donating shoes from its work range to those on the frontline. The donation forms part of the brand's "Skechers Supports Essential Workers" campaign, which saw shoes from the "Skechers Work" range donated to nurses on the COVID ward.

This is our way of saying 'thank you' to the workers helping keep our communities safe during these unprecedented times.





The reach of our Brands



Dr Martens



Dr. Martens continues to give back to a community that has championed the brand for decades. As well as supporting LGBTIQ+ charities across the globe Dr. Martens Australia is

donating to Black Rainbow in Australia. Black Rainbow is an Aboriginal and Torres Strait Islander Lesbian, Gay, Bisexual, Transgender, Intersex, Queer, Sistergirl and Brotherboy non-profit organisation fully owned and operated by Indigenous people. Originally focused on suicide prevention their remit has expanded to include, but not limited by, homelessness, escaping domestic violence, support with the justice system, mental health and living with HIV.

To celebrate Pride, we invited guests from the LGBTIQ+ community to join us live in the Westfield Sydney Dr. Martens store to discuss the topics of Pride, Protest, Creativity and Nightlife. This talk between Black Rainbow spokesperson Jake Gablonski and Sydney Drag Queen Maxi Shield, was broadcasted online and opened dialogue around these topics, amplifying the messages, stories, emotions, and knowledge that they have to share.

Data Security

At Accent Group we believe that digital, cyber and data security is integral to our business operations. We have an obligation to our customers and stakeholders to ensure the security and privacy of the data collected by us. Our Information Technology Security Policy states that personal information is to be used fairly, lawfully, and transparently for specified, explicit purposes. As such, we see data security as paramount to sustainable business practices. We have therefore made significant investments in improving data security over the last three years.

The Accent Digital Strategy Group (DSG) is charged with maintaining oversight of risk identification and management in all our digital operations and provides regular reports and updates to the Audit and Risk Committee and/or the Board. The DSG is also charged with ensuring that adequate investment and systems are in place to protect the Company against increasingly sophisticated and frequent cyber-attacks. We take a multi-layered approach to cyber security, utilising multiple components to protect our core systems and customer data. In addition, we engage the services of third-party cyber security consultants to assist us with guidance, security testing and vulnerability management to apply additional rigour in this area.

This year has also seen regular cybersecurity awareness training deployed across support office team members to improve knowledge around cybersecurity with over 750 Team members enrolled in automated anti-phishing training.

- 1 MISMATCHED & MISLEADING INFORMATION
- 2 USE OF URGENT OR THREATENING LANGUAGE
- 3 PROMISES OF ATTRACTIVE REWARDS
- 4 REQUEST FOR CONFIDENTIAL INFORMATION
- 5 UNEXPECTED EMAILS
- 6 SUSPICIOUS ATTACHMENTS

The security protocols of our card payment processing channels are annually assessed against the Payment Card Industry Data Security Standard to protect cardholder data wherever it is processed, stored and or transmitted. Our audit undertaken by external advisors showed continued improvements in Accent Group's data security and governance. We are encouraged by the results and will continue to develop and refine our plans to address potential issues and improve our processes and governance on an ongoing basis.



Environment

Accent Group is committed to managing and reducing the impact we have on the environment. We recognise our corporate responsibility for driving initiatives that divert waste from landfill through recycling or repurposing waste. We have identified three key areas of focus under our environmental framework that we believe have the greatest impact on our environmental footprint.

REDUCE AND RECYCLE RESOURCES

Accent Group is a member of the Australian Packaging Covenant (APCO). Through our association with APCO we have implemented initiatives to reduce the impact on the environment through recycling, product stewardship and sustainable packaging design.



We have aligned our packaging framework to the five APCO Sustainability criteria.

Key Requirements	Accent Group's Approach
Governance and Strategy (Score: Advanced)	Accent Group APCO Strategy Document aligned to 2025 Packaging Targets Accent Group adopts a set of Packaging Guidelines We have created recycling training for our stores
Design & Procurement (Score: Advanced)	We have completed Sustainable Product Guidelines on key product categories We strive to optimise our packaging using recycled materials and inclusion of disposal labelling
Recycled Content (Score: Leading)	Recycled content is used in primary (eg shoe box), secondary (outer box) and tertiary packaging (pallets, strapping)
Recoverability (Score: Good Progress)	We commit to increase the percentage of packaging that is recoverable at end of life, use less "mixed" materials eg paper bag with cotton handle, and promote packaging that is reusable eg shopping bags
Disposal Labelling (Score: Getting Started)	We have and will continue to increase customer facing instructions on how to correctly dispose of packaging. We will collaborate with our international distribution partners to also positively influence this outcome
On-Site Waste (Score: Advanced)	Our support centres have on-site waste recycling for cardboard, paper and co-mingled waste. One of our Sydney offices is trialling an organic waste program We recycle faulty shoes and offer solutions for customers to recycle shoes that are end-of-life through the Australian Sporting Goods Association recycling scheme
Problematic Materials (Score: Advanced)	We have moved away from the use of light weight plastic shopping bags and aim to minimise it through the supply chain along with polystyrene, PVC packaging and rigid plastic



Shopping Bags

Among the first set of packaging initiatives we have adopted is a move away from single use plastic packaging across our customer shopping bags and an investment in packaging made from recyclable materials.

Our Paper bags are 100% recyclable and made of a minimum of 60% recycled content. Where possible, our paper is sourced from Forest Stewardship Council (FSC) endorsed suppliers who are committed to responsible management of forests and who provide certification and chain of custody.

We have transitioned our plastic bag to have a minimum of 80% recycled plastic content and we will continue to communicate to customers that these can be reused and then recyclable through soft plastic recycling schemes. Our non-woven polypropylene (eg Platypus, Skechers & Dr Martens) shopping bags are also recyclable through soft plastic recycle schemes so we have added this customer message on the bag.

We will also continue to focus on transitioning our shopping bags made of mixed materials to make it easier for customers to recycle at end of life.



E-Commerce Satchels

Our commitment on e-commerce satchels is to move to a greater recycled content and to ensure there is customer messaging on the bags to promote recycling in soft plastic collections. This is being applied to each of our Accent Group store retail brands as we reorder stock. We have also worked with our distribution partner Toll to ensure they adopt the same principles for Accent Group orders.

AT STYLERUNNER

OUR PACKAGING IS NOW MADE FROM 100% RECYCLED PLASTIC

We've been working hard on creating a better alternative for our online shipping satchels. From February 2022 we have transitioned to more sustainable satchels made from 100% post-consumer plastic waste. This means the plastic in our satchels comes completely from soft plastic waste collected from end use products such as plastic shopping bags, food wrap and many other consumer products.



RECYCLE

Accent Group is implementing Group-wide sustainability practices across our network of stores, distribution centres and support centres. Our distribution centres execute on-site recovery systems for used packaging. Any cardboard cartons used for packaging by Accent Group are made from recycled material and packaging material that can no longer be reused is compacted and collected for recycling.

Our support centres recycle cardboard and paper and have implemented a co-mingled recycling program for glass and plastics. FSC (Forest Stewardship Council) certified paper is used in our support centres. Where possible, our weekly retail reports, forms, and administrative material are produced in formats which require no printing and can be stored and viewed via mobile technology. Across our network of stores, "reuse" is always our first option. As an example, cardboard cartons are reused to facilitate movement of stock between our stores. Our retail outlets utilise the available shopping centre recycling facilities.

Key to our commitment to reuse and recycle is training our team members. A recycling on-line training program was delivered and completed by 94% of our store-based team members. We also include an opportunity for feedback on training in our team engagement survey.

A key piece of feedback from team members was around the printing of paper receipts. We were able to change our systems to opt for emailed receipts as first preference and also reduce the number of multiple receipts printed for e-commerce orders. Whilst this was a small change, it was an important change to make based on the team member feedback.

As a large proportion of our stores are in shopping centres, we have also embarked on a collaboration program with key landlords to further promote reduce and recycling.



RECYCLING TRAINING

**We all have a role to play when it comes to disposing of waste.
There are a range of different recycling methods available to us.
Now more than ever is the time step up and driving the right practices.**

RECYCLING POSTER

We have prepared two recycling posters; Shopping Centres vs Street front stores.

These include what you can and cannot dispose of in each waste and recycling bin.

Reach out to your Centre Management or your Local Government Area (LGA) for training on the different bins available to you and how to use them properly.

Along with a copy of the poster above, we have also prepared a template for the 4 different waste methods. You can begin separating your recycling in your backrooms before disposing in dumpsters/local council bins.

We understand space in your backrooms is hard to come by. Here is what we encourage you all to do to prepare your recycling and rubbish:

1. Check with Centre Management or your LGA on the bins available to your store
2. Prepare the relevant 'backroom' bins that corresponds to the bins available to you
3. Begin separating your recycling into these bins so they are ready to take to the dumpsters/bins when full
4. Continue to use a plastic bin with a bin liner for all landfill waste





Accent Group has teamed up with the **Australian Sporting Goods Association** to support the Save Our Soles program, an industry-based initiative to recycle unwanted sports shoes. We have also integrated our faulty and “odd” pairs process to divert from landfill and to recycle.

We have extended this program to our customers to enable them to recycle shoes that are at their “end of life” with 229 active collection points in our stores across The Athletes Foot, Hype DC, and selected Platypus and Glue Stores.

The shoes from the collection units are sent to a recycling plant to be processed, with reclaimed product from the shoes used to make new products, such as flooring for children’s playgrounds and/or gyms.

THE SHOE RECYCLING PROCESS



OLD SPORTS SHOES

Take your pre-loved sports shoes into a participating retailer and drop them off in the designated collection unit.

RECYCLING PLANT

Your footwear is collected and sent to the recycling plant for sorting, breakdown and processing here in Australia

COMPONENTS EXTRACTED

Reusable components are extracted, including rubber, leather and fibres at the recycling facility.

NEW PRODUCTS

Reclaimed materials are used to manufacture new products such as gym mats, floors and playgrounds.



Re-Purpose

DONATE

Accent Group has developed a working relationship with Threadtogether.

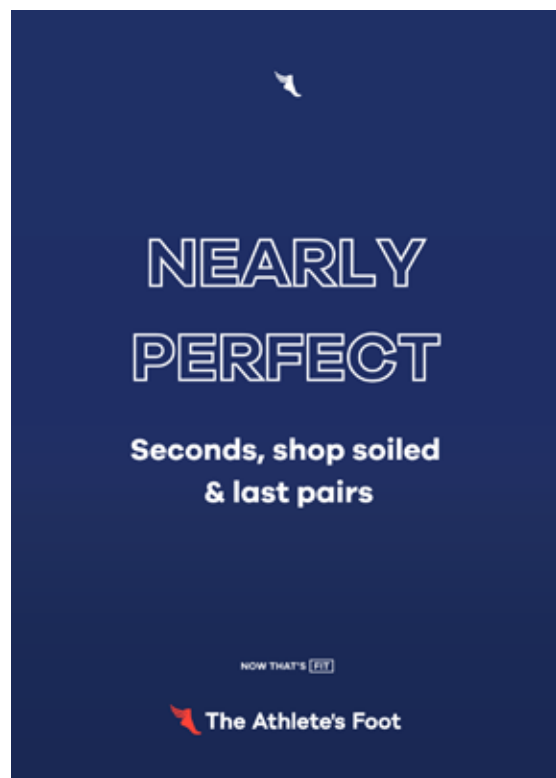
FROM THOSE WHO HAVE TOO MUCH, TO THOSE WHO HAVE TOO LITTLE

Thread Together was founded in 2012, based on the simple idea to donate rather than dispose of unsold clothing. Today, Thread Together clothes thousands of people across the country every week. To achieve this, Thread Together partners with brands such as ourselves, as well as a network of charities & social service agencies, and thousands of volunteers.

Through this partnership, we keep clothing and footwear in circulation and are committed to ethical solutions to fashion excess.

RESELL

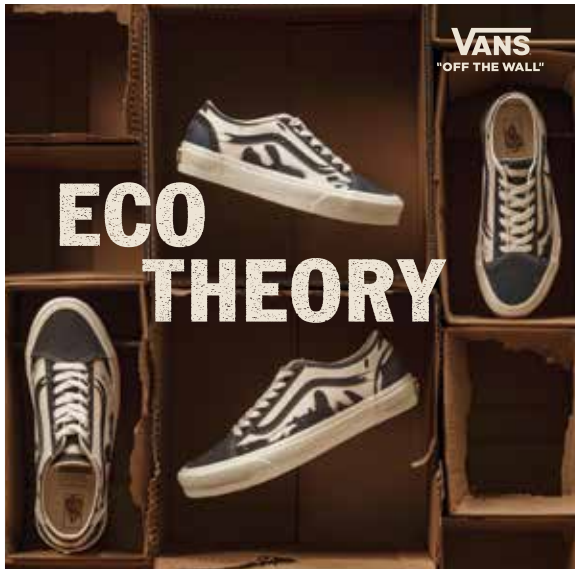
Accent Group have also adopted a “nearly perfect” process where shoes which are slightly marked or cannot be sold through our major channels, are diverted to our outlet stores and offered to customers at a significant discount. In this way, customers can grab a real bargain with the knowledge that they have helped divert product from landfill.





Sustainable product ranges

Accent Group is the product distributor and retailer of a number of global footwear brands. This year has seen the expansion of “eco-friendly” ranges across our product offering and we will continue to work with our key distribution brand partners to bring these ranges into the Australian and New Zealand markets in-store and online.



Vans Eco Theory Collection

With a more sustainable approach to the everyday Classics, the Eco Theory collection is one of the first steps in the Vans journey to creating more sustainable product. Product features include a 100% certified organically grown cotton canvas upper, a responsibly sourced natural rubber outsole, jute laces and water-based inks and glues.



Skechers

In a collaboration with The Goodyear Tire and Rubber Company, Skechers released a range of products with a Goodyear outsole. The range was designed for durability with long-lasting wear, excellent grip and enhanced stability all made possible with Goodyear-developed rubber technology that contains a special polymer including sustainable soybean oil—a renewable, bio-based material used in some of the Goodyear’s top-performing tyres.



The BOBS B Cool - Daisy Disco Skechers range is designed with sustainable materials

- Crafted with 100% vegan materials
- Upper knit fabric is made with 51% recycled polyester
- Laces are made with 100% recycled polyester
- Heel tab is made with 70% recycled polyester

We are also proud that Skechers has reduced the use of plastic in its footwear packaging by 85%. In addition, 99% of the Skechers branded shoe boxes meet FSC standards for responsible sourcing and packaging materials are 100% recyclable and printed with soy or water-based ink.



Timberland

Timberland was one of our first distribution brands to focus and launch sustainable product in our market. Greenstride™ is its most recent and advanced development.

The sustainability objective for Timberland is to create a net positive impact on the environment and design products for circularity (everything has a use and a reuse), ensure products can be recycled at the end of life and source natural materials through regenerative agriculture.

GreenStride™ soles are made using 75% natural sugar cane and rubber from trees. TimberDry™ linings are made of at least 50% recycled plastic diverted from landfills. Better Leather comes from a tannery rated silver for its environmental practices.

ECO-INNOVATIONS



GREENSTRIDE™ COMFORT SOLES

- 75% renewable natural materials
- Natural foam made from sugar cane
- Responsibly sourced natural rubber from trees



TIMBERGRIP™ TECHNOLOGY

- 56% bio-based content (pulp waste & natural rubber)
- Reduce reliance on fossil fuels
- Stickiest & best gripping traction, stick to your values & the ground



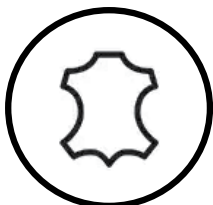
REBOTL™ FABRIC

- 40% recycled plastic (plastic bottles)
- Create opportunity for plastic bottle collectors
- Used in footwear uppers & bag linings/shells



PRIMALOFT® ECO INSULATION

- Made from a minimum of 58% recycled PET (from recycled plastic bottles)
- Retain warmth even when wet



BETTER LEATHER

- Sourced from a tannery rated Gold or Silver by Leather Working Group
- Judged based on responsible energy use, waste management & water treatment



TIMBERDRY™ WATERPROOFLINING

- Made from either 58% (footwear) or 100% (apparel) recycled plastic
- Keep water out and your conscience clear

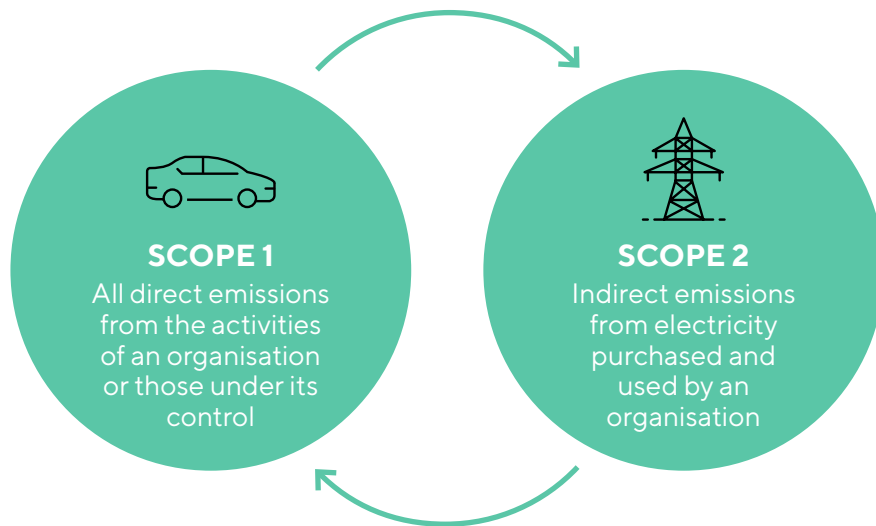


Climate

Accent Group recognises the importance of climate change and is committed to understanding, measuring, and reducing our impact on the climate. We acknowledge that climate change is important to our team members, customers, and our communities.

It is fundamental to this commitment that we establish mechanisms to quantify and disclose our carbon footprint, therefore, this year we engaged industry experts to support Accent Group to measure our Scope 1 and Scope 2 greenhouse gas ('GHG') emissions.

Through this process we identified the primary source of GHG emissions across our business was associated with electricity consumed to power our stores, offices, and warehouses. To a lesser extent, we also identified GHG emissions associated with the fuel consumption of vehicles owned by the Group.



Emissions Sources	Description	Source reported under GHG Protocol
Transport Fuel	Transport fuels associated onsite and offsite from registered Accent Group vehicles and equipment including: <ul style="list-style-type: none"> - Diesel - Petrol 	Company vehicles across Australia and New Zealand.
Electricity consumption	Indirect emissions from consumption of purchased electricity for lighting and heating used at Accent Group retail stores and facilities.	Retail stores under Accent Group's operational control and facilities (office and warehouse spaces) across Australia and New Zealand

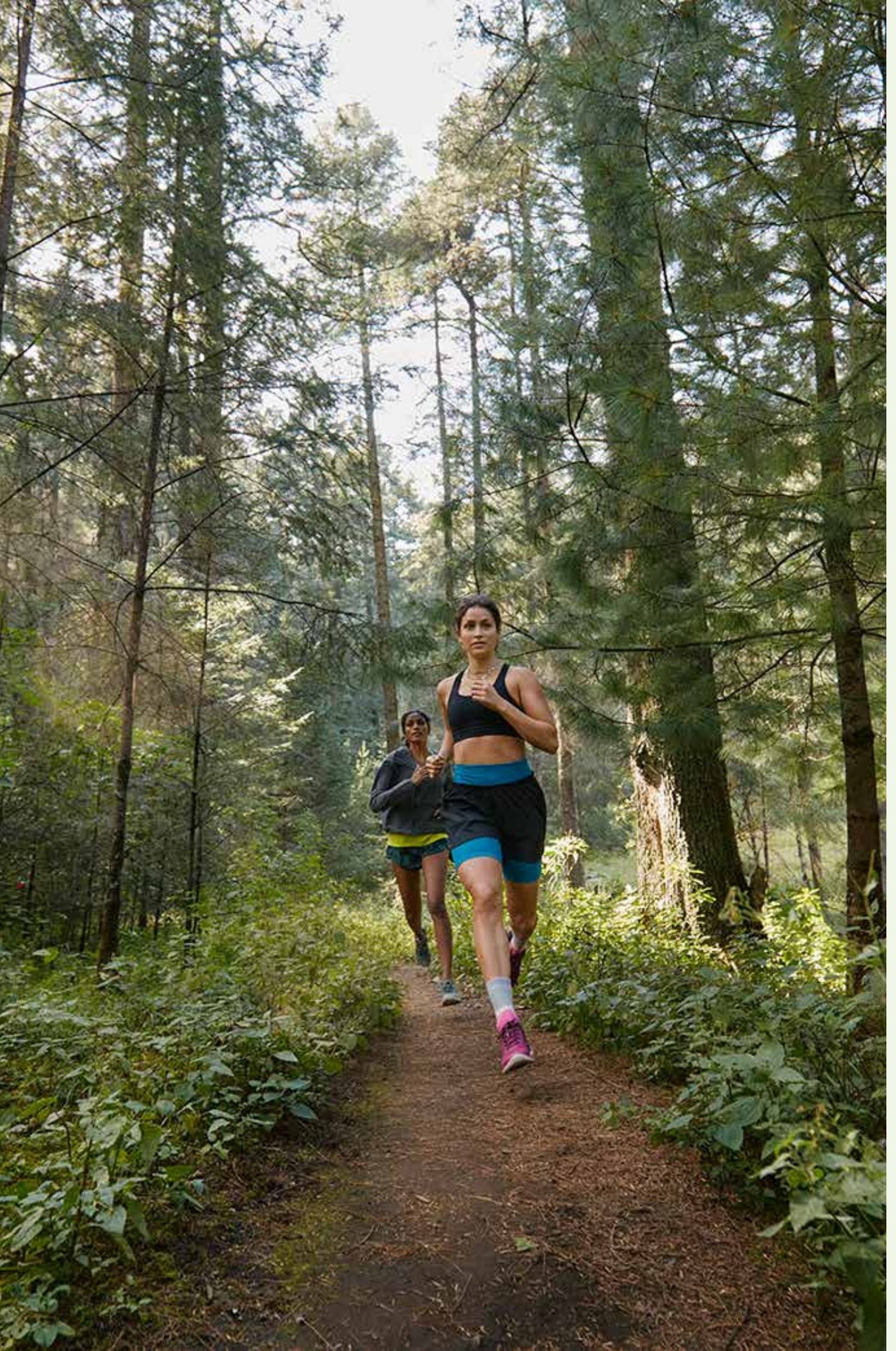
Developing Accent Group’s first inventory of our direct carbon footprint (covering scope 1 and 2 GHG emissions) has been a pivotal step towards enhancing our understanding of where emissions occur across our business.

We are continuing to explore opportunities to reduce emissions across our operations and have commenced three key initiatives:

Commitment	Timeframe for delivery
<p>1. Continue to enhance our measurement of scope 1 and 2 GHG emissions</p> <p><i>We will continually mature and evolve our approach to measuring and reporting on our climate-related impacts.</i></p>	By December 2022
<p>2. Engage with landlords to partner on opportunities to reduce emissions</p> <p><i>In the coming year we will seek out opportunities to engage with our landlords to better understand opportunities to collaborate in order to reduce emissions.</i></p> <p>Electricity consumption is our primary source of GHG emissions. Our stores are however primarily located within retail shopping centres, and we therefore will need to partner with our landlords to meaningfully explore opportunities to decarbonise our operations.</p>	Throughout FY23
<p>3. Investigate opportunities to further implement initiatives to reduce carbon emissions with our industry associations</p> <p><i>We will embark on a program to explore opportunities with the Australian Sporting Goods Association to reduce our carbon footprint on industry-based initiatives.</i></p>	Throughout FY23

“Our Environmental” Commitments for FY23

- Ensure all Accent Group shopping bags are made of recycled materials and have correct disposal labelling. We will also reduce mixed materials in our shopping bags
- Expand the in-store shoe recycle program beyond the current footprint of 229 stores
- Develop a Training Program for Accent owned brands and wholesale team members and foster engagement across our supply chain and key distribution brand partners
- Continue to work on our Carbon Footprint modelling
- Increase customer messaging on Eco friendly ranges



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