

# Accent Group

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## Accent Group Limited 2022 Modern Slavery Statement

For the Period 1st July 2021 to 30th June 2022

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This Statement was prepared by the reporting entity Accent Group Limited ('Accent Group', 'the Company') (ABN: 85 108 096 251). Accent Group is an Australian public company listed on the Australian Securities Exchange (ASX code: AX1). The Company's registered office and principal place of business is 2/64 Balmain Street, Richmond, Victoria, Australia. This Statement has been prepared in accordance with the *Modern Slavery Act (Cth) 2018* ('the Act') and outlines the actions taken by Accent Group to identify, assess, and address modern slavery risks across our operations and supply chains for the year ending 30 June 2022.

Accent Group Limited makes this single joint Statement on behalf of all reporting entities in the Accent Group and all other owned and controlled entities.<sup>1</sup> All entities in the Accent Group operate under a central governance framework and common management system. Consultation was therefore not required as the same individuals represent each of these entities. A list of all subsidiaries is included in Appendix A.

<sup>1</sup> In addition to Accent Group Limited, Platypus Shoes (Australia) Pty Ltd, The Athletes Foot Australia Pty LTD, Hype DC Pty Ltd and Accent Lifestyle Pty LTD are also reporting entities under the Act.

# 1. Introduction

**We recognise that modern slavery is an ongoing challenge facing global supply chains, including our own. We remain committed to operating responsibly and take our role seriously in identifying and managing modern slavery risks.**

This Statement, Accent Group's third Modern Slavery Statement, covers the reporting period 1 July 2021 to 30 June 2022. During this period, our company continued to grow, opening 139 new stores, and hiring an additional 915 team members across Australia and New Zealand. During the year we also integrated Glue Store and expanded our Accent owned brands business. This growth has expanded the role we play to identify and manage the risks of modern slavery throughout our operations and supply chains. In response, we have taken several steps throughout the year to enhance our modern slavery program.

We are pleased with the progress made during the year, including:

- Embedding our supplier onboarding process across Accent owned brands and continuing to communicate and distribute our Ethical Sourcing Policy.
- Establishing an Accent Group owned brands non-compliance and breach policy.
- Delivering modern slavery training for our Accent owned brands teams and our buying teams to build their awareness and capability to identify modern slavery risks in the supply chain.
- Implementing a software program to record and manage our suppliers, factories and sub-contractors across Accent owned brands.
- Continuing to focus on improving our traceability to better understand modern slavery risk.

There continues to be more work to do. Key activities planned for the coming year include embedding further traceability across multiple stages of production for Accent owned brands, continued follow-up on corrective action plans across our supply chain and further developing our grievance mechanisms and approach to remediation. Further details on our planned next steps for FY23 are outlined in Section 7 of this Statement.

We are committed to progressing our approach to managing modern slavery risks and understand we must place ongoing attention in this space in order to contribute to the goal of eliminating modern slavery. We look forward to working further with our team members, suppliers and broader business partners to strengthen our due diligence practices.

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## APPROVAL OF THIS STATEMENT

This Statement was approved by the Accent Group Board on 10<sup>th</sup> November 2022.



**Daniel Agostinelli**  
Chief Executive Officer  
Accent Group Limited

## 2. About Accent Group

### OUR OPERATIONS

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 Stylerunner the Label and Nude Lucy as key Accent owned brands. We now also 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:

Figure 1 – Accent Group operations (at June 30, 2022)

#### 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.



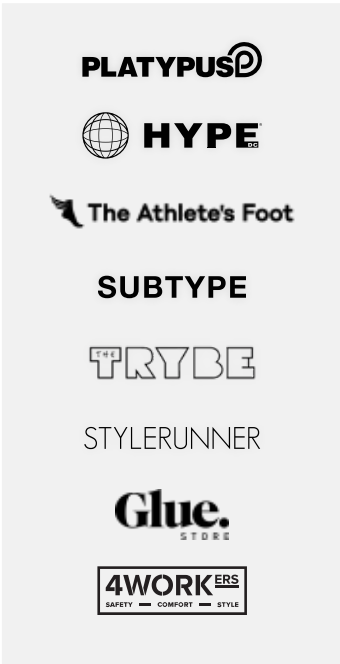
#### DISTRIBUTED BRANDS:

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:

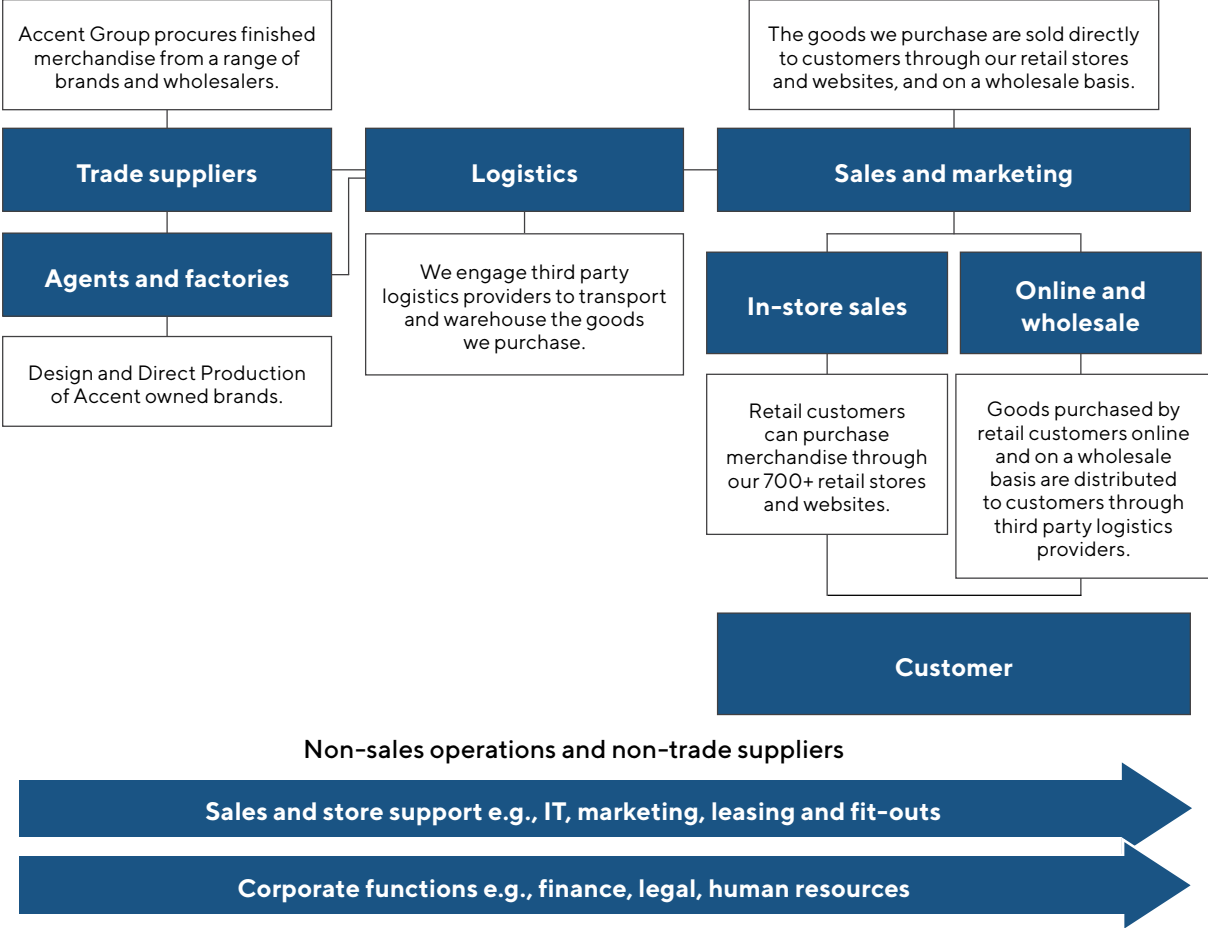
We source finished merchandise across footwear, apparel, and accessories, created specifically for Accent owned brands that we source directly from third party agents and factories for direct retail and wholesale.



## 2. About Accent Group

### Our value chain

Figure 2 – Accent Group value chain



### Our workforce

Accent Group directly employs 7500 team members<sup>2</sup> across Australia and New Zealand. Throughout the reporting period we recruited 915 new team members into a range of roles across our retail stores and retail support operations (i.e. support centre office and warehousing, wholesale, and shared services). The majority of our people are employed on a casual basis and work within our retail stores.

During the year we saw a 5% increase in the proportion of female team members across the group, rising from 60% of team members in FY21 to 65% of team members in FY22. This increase was largely reflected in our retail stores together with our conscious continued investment in female-orientated brands such as Stylerunner the Label and Nude Lucy.

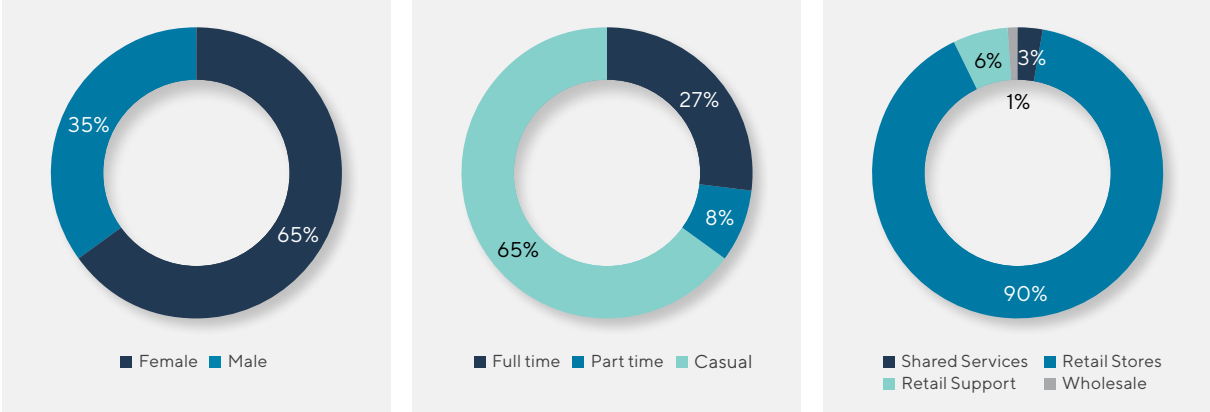
With the ongoing impact of COVID-19, we maintained a focus on our people and continued to support our team members by honouring all employment contracts across the business throughout the reporting year.

<sup>2</sup> As at 30th June 2022; Total Accent Group Headcount.

## 2. About Accent Group

A breakdown of our workforce is provided below:

**Figure 3 – Accent Group workforce**



### OUR SUPPLY CHAIN

The primary operations of our business are in 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 owned brands from agents and factories. The integration of Glue Store and a continued focus on Accent owned brands such as Nude Lucy and Stylerunner the Label, has seen the expansion of design and direct production of apparel into our supply chain. The range of trade and non-trade goods and services that directly support our business operations has remained constant over the last year.

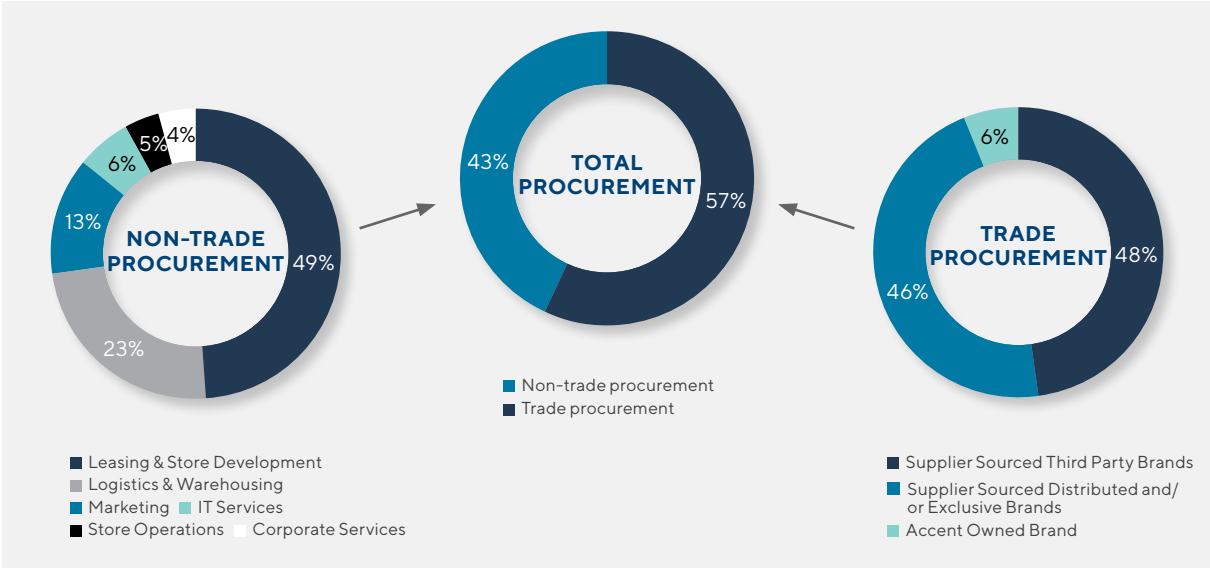
Table 1 below summarises the key types of trade and non-trade goods and services we procured in FY22.

**Table 1 – Main categories of goods and services procured in FY22**

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 owned brands that we source from third party agents and factories for direct retail and wholesale e.g. Platypus-branded socks, Stylerunner the Label, 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 such as electricity, cleaning, security and repairs and maintenance, and store consumables

## 2. About Accent Group

Figure 4 – Accent Group supply chain spend in the 2022 reporting period



In the FY22 reporting period, we procured more than \$900m in goods and services and worked with just over 2,000 suppliers. The majority of our supply chain spend relates to ‘trade’ suppliers (57%), with our top 20 suppliers within this category representing 79% of total ‘trade’ spend. These suppliers include both ‘distributed’ brands who we partner with on both an exclusive and a non-exclusive basis as well as our ‘third party’ brands. The value of Accent owned brands has continued to grow during the year – aligned to our strategy to grow this channel – which will in turn support our efforts to gain greater oversight of supplier activities.

### GOVERNANCE AND CONSULTATION

Accent Group owns and controls several entities that operate in Australia and overseas. A list of all subsidiaries at 30 June 2022 is included in Appendix A. In addition to Accent Group Limited, Platypus Shoes (Australia) Pty Ltd, The Athlete’s Foot Australia Pty Ltd, Hype DC Ltd and Accent Lifestyle Pty Ltd are also reporting entities under the Act.

All Accent Group entities operate under a common central governance framework and common management system. Specifically, the individuals charged with responsibility for managing modern slavery risks represent Accent Group Limited and all subsidiaries (as listed in Appendix A). In preparing this Statement, and in managing the risks of modern slavery across our operations and supply chain, Accent Group did not need to consult with any other entity in the group as all entities operate under a common central governance framework and common management system.

In line with FY21, 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. The Audit and Risk Committee reports to the Board, which is ultimately accountable for the Company’s management of modern slavery risks. The Board has been engaged in the discussion of Accent Group’s modern slavery commitments throughout the reporting period.

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

- **Our People Come First** – because Accent Group would not be where it is today without its dedicated team members.
- **Our Responsibilities** – Accent Group has a corporate responsibility to act with integrity and with an ethical purpose.
- **Our Environment** – Accent Group cares for the Environment and has committed to initiatives to improve the impact it has on the planet.

## 2. About Accent Group

The Accent Group 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 Sustainability Manager who also provides updates and reports on sustainability initiatives and risks to our Audit and Risk Committee and to the Board.

**Figure 5 – Accent Group ESG Framework**



**Figure 6 – Modern Slavery governance at Accent Group**





### 3. Risks of modern slavery in our operations and supply chain



Accent Group has made a commitment to operating responsibly and meeting the highest standards of ethics and integrity. We acknowledge that there are likely to be modern slavery risks deeper in our supply chain, and will continue to seek out ways of identifying, managing and when required, remedying these. Within our own operations, the risks of modern slavery are lower but not absent. We will do all we can to ensure that our team members, customers and community members are not subject to any form of exploitation.

In the previous reporting period, we undertook a detailed risk assessment of our supply chain, working with an independent third-party to comprehensively assess the potential modern slavery risks at a supplier level based on industry and location. We have continued to use this analysis in this reporting year as the nature of our business and supplier base has not significantly changed.

Specifically, the assessment considered the following:

- **Country risk factors:** Leveraging human rights databases, indices and reports from internationally recognised bodies that supported an assessment of risk by country.
- **Industry risk factors:** Comprising an industry-specific assessment of the likelihood and impact of known modern slavery risk factors such as labour intensity, migrant labour and opaque intermediaries, as well as potential controversies by industry groups identified through media analysis.

Four types of modern slavery were assessed, including forced labour (including bonded labour), child labour, human trafficking, and forced marriage. Resources such as The Global Slavery Index from Walk Free Foundation and the International Labour Organisation's ILOSTAT were utilised to inform this assessment.

In the reporting period, Accent Group continued to operate within Australia and New Zealand and whilst we understand potential operational risk exists, we deem the processes we have in place, along with the legal and regulatory obligations across these regions, to be sufficient while we focus on higher impact areas.

### 3. Risks of modern slavery in our operations and supply chain

#### RISKS IN OUR SUPPLY CHAIN

We acknowledge there are risks of modern slavery in our supply chain. The nature of our industry however means our supply chains are complex, multi-tiered and global, and as a result it is difficult to have clear visibility of where these risks lie. We are also a relatively small player in the global apparel and footwear sector so our leverage of, or ability to influence, third parties is less. That said, we have taken steps to improve the quality of our supplier data and to utilise this to undertake a more comprehensive inherent risk assessment so that we can be more targeted in our due diligence activities.

Within the footwear and apparel sector, the risks of modern slavery exist within 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 continue to be our focus.

We have greater leverage and access to information when sourcing Accent owned brands. For this reason, we will continue to focus here as we can have a greater impact. We acknowledge our responsibility also exists with our distributed or exclusive brands and will continue to work with these brands directly to ensure their sourcing frameworks align to our expectations.

Table 2 below outlines the inherent risks of modern slavery likely to be present in our main categories of procurement, the level of inherent risk we identified through our risk assessment and how we have prioritised these categories for further due diligence.

**Table 2 – Indicative risk factors by supply chain segment**

Supply chain segment	Category	Inherent risk rating	Identified risk factors
Trade suppliers – merchandise for sale and distribution	Supplier sourced distributed and/or exclusive brands  <i>Representing approximately 26% of total spend and 1% of total suppliers by number</i>	High	Our trade procurement consists of finished footwear and apparel merchandise. These industries have a heightened risk of various forms of modern slavery, including child labour, forced labour and human trafficking. Manufacturing processes require high labour intensity, and combined with low skilled work, pose risks associated with excessive hours and deceptive recruitment practices.  The overall inherent risk for this category is also high due to the high proportion of sourcing from suppliers with production activities in places like Vietnam and China where labour laws are not as strictly regulated. Given that we hold exclusive distribution rights for brands in this category, Accent Group has a heightened relationship to these risks and a greater potential to influence supplier performance. This category also represents a large proportion of our overall procurement spend, concentrated across a small number of suppliers.  <b>Priority for action: High – continued due diligence to be actioned in the next 12 months.</b>

### 3. Risks of modern slavery in our operations and supply chain

Supply chain segment	Category	Inherent risk rating	Identified risk factors
Trade suppliers – merchandise for sale and distribution (continued)	Supplier sourced third party brands <i>Representing approximately 27% of total spend and 6% of total suppliers by number</i>	High	As noted above, inherent risks of modern slavery are present in the footwear and apparel manufacturing sector. Again, the higher inherent risk identified is due to the high-risk production locations of our suppliers in countries such as Vietnam, Brazil and China. Unlike our distributed brands, there is a less direct relationship to the risk. The vast majority of suppliers in this category are major International and Australian brands, generally with a good understanding of their supply chains and established due diligence and risk mitigation practices in place. This category represents a large proportion of our overall procurement spend, spread across a relatively large number of suppliers and is therefore considered a secondary priority.  <b>Priority for action: Medium – continued due diligence to be actioned in the next 12 months.</b>
	Accent owned brands <i>Representing approximately 4% of total spend and 2% of total suppliers by number</i>	High	As noted above, inherent risks of modern slavery are present in the footwear and apparel manufacturing sector. This category is rated high overall due to the volume of sourcing from high-risk locations, such as China. The nature of Accent Group’s relationships with suppliers of Accent owned brands differs to those of other trade suppliers, as we generally purchase this merchandise directly from factories or from third party agents. Given that we have a closer relationship to these risks we continue to prioritise our due diligence activities here.  <b>Priority for action: High – due diligence activities remain focused here.</b>
Non-trade suppliers – goods and services not for resale	Logistics and warehousing <i>Representing approximately 10% of total spend and 4% of total suppliers by number</i>	Low to Moderate	Inherent risks of modern slavery are associated with transport, warehousing, and distribution activities. Although our suppliers are in Australia and New Zealand, these risks often stem from the use of labour hire services which have been linked to deceptive recruitment and forced labour of vulnerable populations, including migrant and low-skilled workers. This category represents a small proportion of spend and total suppliers. We will continue to engage with suppliers in this category (especially landlords and our warehousing partners) to assess any changes to our risk assessment.  <b>Priority for action: Low – continue with current approach to supplier monitoring.</b>
	Leasing and store development <i>Representing approximately 21% of total spend and 25% of total suppliers by number</i>	Moderate	Inherent risks of modern slavery are associated with store fit outs, repairs and maintenance and the construction materials used in them. Although all suppliers are in Australia and New Zealand, risk factors include the frequent use of migrant or lower-skilled labour, and poor or dangerous working conditions. This category represents a large amount of total spend and total suppliers.  <b>Priority for action: Medium – continued due diligence to be actioned in the next 12 months.</b>

### 3. Risks of modern slavery in our operations and supply chain

Supply chain segment	Category	Inherent risk rating	Identified risk factors
Non-trade suppliers – goods and services not for resale (continued)	IT services <i>Representing approximately 3% of total spend and 4% of total suppliers by number</i>	Low to Moderate	Inherent risks are associated with IT equipment manufactured offshore, particularly forced labour. Limited inherent risks were identified in IT support services provided by Australian-based suppliers. This category represents a small proportion of spend and total suppliers. We will continue to refine our risk assessment of this category.  <b>Priority for action: Low – continue with current approach to supplier monitoring.</b>
	Marketing <i>Representing approximately 5% of total spend and 22% of total suppliers by number</i>	Low	Limited inherent risk factors identified. Accent Group source primarily Australian based services.  <b>Priority for action: Low – continue with current approach to supplier monitoring.</b>
	Corporate services <i>Representing approximately 2% of total spend and 15% of total suppliers by number</i>	Low to Moderate	Accent Group primarily source Australian based services, however the nature of the work can attract a vulnerable workforce required for lower skilled, labour intensive work like catering and waste removal.  <b>Priority for action: Medium – continued due diligence to be actioned in the next 12 months.</b>
	Store operations <i>Representing approximately 2% of total spend and 21% of total suppliers by number</i>	Moderate	Inherent risks of modern slavery are associated with migrant and vulnerable workers in cleaning and security services. These include debt bondage, forced labour and human trafficking. Although total spend is relatively low, a large proportion of the suppliers here are often smaller businesses.  <b>Priority for action: Medium – continued due diligence to be actioned in the next 12 months.</b>

### 3. Risks of modern slavery in our operations and supply chain

**DEEP DIVE: INHERENT MODERN SLAVERY RISKS IN ACCENT OWNED BRANDS**

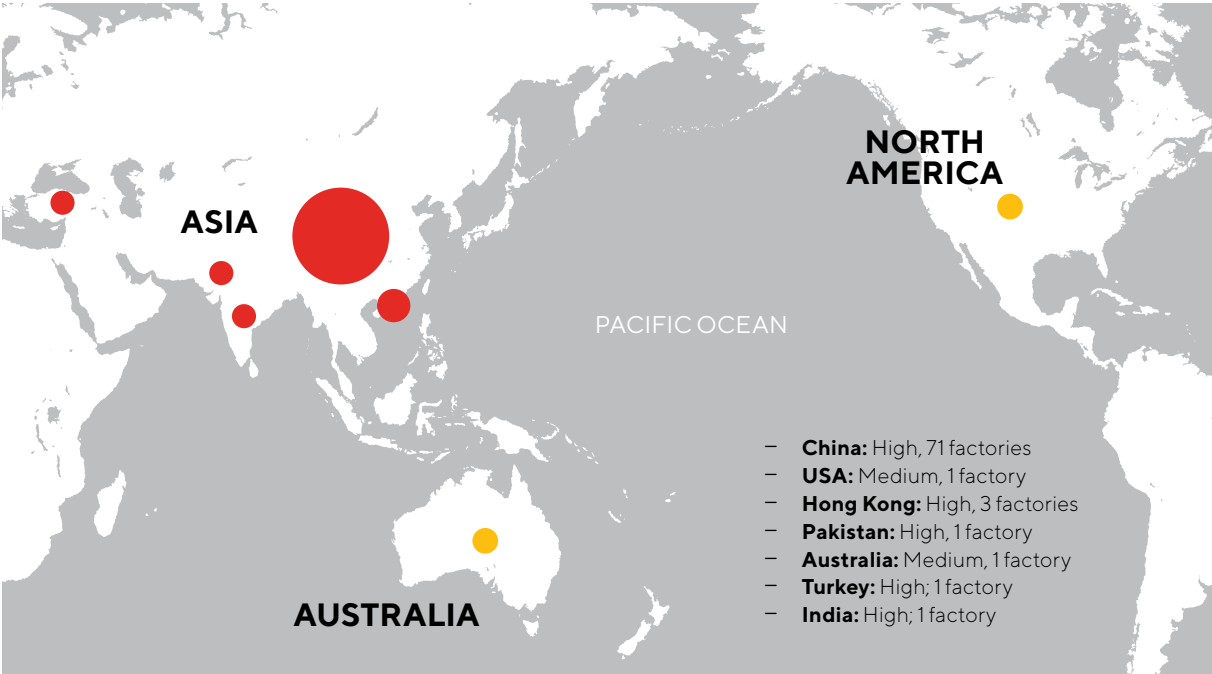
The Accent owned brands category continues to be a priority across the reporting period as it constitutes a strategic priority for the business as we plan for continued growth. The majority of our suppliers for Accent owned brands were rated inherently high for risks of modern slavery as their sourcing location was based on the country of manufacture and the nature of the product produced (footwear & apparel).

Given the reasonably high level of risk across all types of modern slavery considered, we have undertaken key activities to ensure we implement strong risk assessment and due diligence processes, and this included:

- Training of Accent owned brand team members on modern slavery and ethical sourcing. Specific training on how to review audit documentation and assess the level of risk for each supplier & factory was also conducted.
- Embedding our Supplier On-Boarding process which has allowed us to identify factories that pose a higher level of risk than we are willing to accept for Accent owned brands and direct our business elsewhere
- Investment in an online software platform that has improved the management of our supplier and factory records and traceability. This has allowed the team to analyse the outcomes of factory audits and work with factories on corrective action plans.

With the COVID-19 travel restrictions, we implemented regular online meetings with our key suppliers to discuss production requirements, issues and offer support. We used the knowledge and insights gained during these regular calls to actively stay abreast of audit outcomes and risks.

**Figure 7 – Inherent modern slavery risks for Factories used by Accent owned brands by location**



Key outtakes as at the end of FY22 for Accent owned brands:

- 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, Make, Trim) and **86%** have submitted an up-to-date social compliance audit

### 3. Risks of modern slavery in our operations and supply chain

#### RISKS IN OUR OPERATIONS

Through an internal review of our operations, we have assessed the risk of modern slavery to be low. Our operations are located across Australia and New Zealand and we are therefore required to comply with all industrial relations laws across these regions. Further, and as detailed in Section 4 below, the majority of our team members are employed under employment Awards, most commonly the General Retail Industry Award. We also maintain a sound policy framework that governs our corporate behaviour.

We acknowledge that 65% of our workforce is employed on a casual basis and while this type of employment has a higher inherent risk, in Australia and New Zealand, they are afforded the same industrial relations framework as other team members.



# 4. Our approach to managing risks of modern slavery

At Accent Group, we are committed to building and maintaining sustainable business practices throughout our operations and be an employer of choice for team members, meet our customers' expectations and deliver long-term value to our shareholders. We also believe that the people who work for our suppliers should be treated with respect and should work in a safe environment and have their human rights protected.

To support this, we expect our people to adhere to the highest legal, moral and ethical standards in order to uphold our commitment of operating responsibly. Further, we expect that our suppliers take steps to minimise any negative impacts that their operations have on their people, and the environment.

Throughout the reporting period we have built upon the policies and procedures we already had in place and have taken a number of steps to raise awareness of modern slavery risks, to engage directly with our suppliers, and to hold our partners to account for their activities. Below we provide further details on key activities undertaken during the year.

## CONDUCTING DEEPER DUE DILIGENCE OF SUPPLIERS

During the reporting period, further developing our supplier due diligence practices has been our main priority. A range of activities have been undertaken to engage our trade suppliers and to better understand their maturity in relation of modern slavery risk management. These activities varied for suppliers of Accent owned brands when compared to suppliers of distributed and/or exclusive brands and third-party brands.

### Suppliers of Accent Owned Brands

Throughout the reporting period, we embedded the supplier onboarding process for suppliers of Accent owned brands, which was implemented in July 2021, and requires a formal and staged approval process. Prior to onboarding, suppliers must have signed our Ethical Sourcing Policy and demonstrate that a valid ethical compliance audit has taken place. Whilst Accent Group continued to partner with SEDEX, we have elected not to mandate registration via a single platform and will accept all globally recognised audits without preference. We believe this assists our suppliers to provide us with relevant audit reports.



In November 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 owned brands. For further information visit [www.oscdata.com](http://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 evidence, certifications, sustainability and environmental attributes and chain of custody requirements. This has helped to strengthen our traceability of suppliers and factories.

## 4. Our approach to managing risks of modern slavery



As we work with our suppliers to collect the outcomes of their social audits, we are pleased to report that 89% of the suppliers of Accent owned brands have up-to-date and valid audit information. We received a variety of accepted examples during the reporting period, including SMETA, BSCI and WRAP, all of which align to the SA8000 standard which requires organisations to develop, maintain and apply socially acceptable practices in the workplace. As outlined in the below case study we continue to invest in training our team members to analyse the various audit report formats, so they are best placed to liaise with our suppliers in supporting them to identify risks and develop corrective action plans.

Suppliers are assigned a risk rating of High, Medium, or Low. Suppliers with a high-risk rating are required to work on a corrective action plan and may also be required to undergo further investigation to meet our compliance expectations. If a supplier refuses to remediate compliance issues, we reserve the right to cease engagement with that supplier.

### Suppliers of distributed and/or exclusive brands and third-party brands

In the reporting year, we have continued to engage directly with our exclusive and non-exclusive distribution partners to better understand and catalogue their activities in relation to modern slavery risk management. In these engagements, we shared our Ethical Sourcing Policy and discussed with our brand partners their areas of focus to determine areas of convergence to have a greater impact throughout the supply chain.

These discussions are important to help maintain an open dialogue, learn from one another and to work collaboratively, especially if instances of non-conformance arise. We expect to continue engaging with all our brand partners and will ensure regular meetings occur with those we have already engaged. To support this our Distribution Brands senior team members were trained on how to engage in these discussions with their respective suppliers.



## 4. Our approach to managing risks of modern slavery

### CASE STUDY: MODERN SLAVERY TRAINING

The reporting year saw a continuance of Modern Slavery and Ethical Sourcing training extended across Accent Group. Last year we identified the need for key team members, especially those involved in buying decisions, to better understand modern slavery and the potential risks for our business. Training sessions were extended to our Executive team and across the organisation including Customer Experience teams, People & Culture and also key members of our Financial Services and Information Technology teams.

Key sessions included:

- **Modern Slavery and Ethical Sourcing:** Senior Leaders across the business, our Buyers and Accent owned brands team members, attended a bespoke training session. The session was designed for those involved in buying decisions and sought to raise awareness of modern slavery and other ethical sourcing issues, to educate the team on our Ethical Sourcing Policy and revised supplier onboarding framework, and to promote a more considered assessment of ethical sourcing issues.
- **Supplier Audits:** Accent owned brands team members continued to receive targeted training on supplier audits. Building on the foundations established in the last year, the training focused on supporting the team members to review the outcomes of supplier audits and how to engage with suppliers on any corrective actions. The hands-on session used the OSC system and was delivered in a workshop style forum. Ultimately, this program has provided the team with skills needed to better engage with suppliers on their audit process.



## 4. Our approach to managing risks of modern slavery

### Our Policy framework

Our policies and procedures articulate our values, ways of working and the expectations of our team and suppliers. During the reporting period, we continued to issue our **Ethical Sourcing Policy** to our trade suppliers (including Accent owned, distribution and third-party brands).

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.

We continue to receive positive feedback on the policy from a number of suppliers, several of whom also share their own policies with us as demonstration of their support.

Our other existing policies outline collectively the standards of behaviour we expect of our team members, the working conditions they are entitled to and the mechanisms available to them to report issues or concerns. These include:

- **Code of Conduct** – sets out the expectations that Accent Group has of our employees and business partners regarding lawful and ethical conduct. These expectations include the provision of fair and reasonable treatment, non-discrimination and that our employees will not be placed in unnecessary danger in the course of their employment.
- **Whistle-blower Policy** – explains the protections afforded to employees that raise concerns about misconduct and provides guidance on communicating these concerns to Accent Group. We aim to ensure that individuals feel supported to come forward if they have information or concerns about serious misconduct.
- **Diversity Policy** – confirms Accent's commitment to establishing and actively encouraging diversity in its workforce and to provide employees with a safe workplace environment free from unlawful discrimination, bullying or harassment.

We also maintain bullying and harassment, and grievance policies. All team members are provided with these policies, as well as the employee Code of Conduct and our standard conditions of employment in an employee handbook when they commence employment with us. We have zero tolerance for harassment (including sexual harassment), bullying, discrimination and any other act or omission which deviates from our Code of Conduct.

In this reporting year, our Bullying & Sexual Harassment framework was upweighted through the execution of a comprehensive Bullying and Harassment training module implemented in March 2022.

### Enhancing our terms of employment

Accent Group adheres to the expectations and protections of Employment Awards. Our retail store, warehouse and shared services team members are typically engaged under the applicable Award for the nature of work they undertake. The majority of these team members are employed under the General Retail Industry Award, and a smaller number under the Cleaning Services Award, the Storage Services and Wholesale Award and the Clerks - Private Sector Award.

## 4. Our approach to managing risks of modern slavery

### Investing in our People Management Systems

Our 'People Dashboard' provides valuable insights to the Board and senior management who receive regular updates on key employee metrics, such as recruitment activities, workplace health & safety outcomes and payroll information.

We continue to strengthen our new team member on-boarding processes, which includes confirming that team members have the appropriate rights to work.

This year we implemented and launched our new human resources platform called "Ceridian 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, workforce management (rostering), leave applications and compensation. This system has also improved our people reporting capability. 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.

### Engaging our people

Providing a safe and fair workplace for our people is paramount to our success. Engaging our people to provide feedback therefore enables us to understand how and where we can do better to deliver on this promise. 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, Career Development, Reward and Recognition and Diversity, Inclusion and Sustainability. The survey was repeated in July 2022 and continued improvements were realised in the above-mentioned areas as well as an improvement in the overall group score.



### Training and Development

During the year we continued 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.

In the reporting period, Accent Group dealt with 3 claims raised through the Fair Work Commission. These incidents have all been reviewed and did not relate to any indicators of modern slavery.

## 5. Assessing the effectiveness of our actions

Although we have matured our due diligence procedures throughout the reporting period, we acknowledge we are still in the early stages. Assessing the effectiveness of our actions is a key step in ensuring the progress we are making is having the intended effect.

We have undertaken the following steps in determining the effectiveness of our actions:

- Monitored and communicated to suppliers that our central Ethical Sourcing email provides them with a line of communication to contact us regarding our approach to ethical sourcing and/or raise any grievances
- Implemented a software platform called OSC (Our Supply Chain) which enables us to record and manage audit data of our suppliers and factories across Accent owned brands. Through this system we run a “status report” that enables us to track the status of any audit reports and any associated corrective action plans.
- Presented outcomes to Accent Group’s Audit and Risk Committee who have provided guidance and ensured a focus is maintained across the business on our due diligence activities.

Throughout the year we did not receive any notification of a grievance or complaint regarding a potential modern slavery incident through any of our escalation pathways (i.e. the Whistle-blower channel, ethical sourcing inbox, or audit reports reviewed).

We will continue to monitor our activities and implement processes to determine whether our approach to assessing and addressing the risks of modern slavery in our operations and supply chains is effective.



## 6. Managing the impacts of COVID-19

The COVID-19 pandemic has again caused challenges for Accent Group across our operations and supply chain.

Our stores were impacted by government mandated restrictions and lockdowns during the reporting period. Throughout the impacted period, we maintained our focus on the safety and wellbeing of our team and customers. During the periods in which our retail stores were operational, we re-introduced measures relating to personal hygiene, social distancing, increased cleaning, and throughout the year we continued efforts regarding mental wellbeing, incident response and training. We also maintained our employee assistance program (EAP) throughout the FY22 reporting period, providing team members with constant access to a range of mental health initiatives.

In line with State government health advice and feedback from our team members gathered through a survey, Accent Group implemented a mandatory team member vaccination policy across our support offices in Australia and New Zealand in the reporting year. 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

The impact of COVID-19 abroad was significant. Our efforts to gain greater visibility across our supply chain, and to engage with partners internationally, were required to be managed remotely. Pleasingly we received audit reports from our suppliers when requested and we acknowledged the challenges associated in gaining access to sites due to COVID-19 related restrictions. We also understood there were capacity constraints during peak periods of audit activity following movement restrictions and applied a pragmatic approach when seeking renewed reports from our suppliers. As the world normalises, we look forward to once again being able to spend face to face time with our suppliers and visiting the factories who manufacture for Accent Group.

From October 2022, Accent Group has removed its COVID-19 vaccination policy in Australia after taking into account relevant factors, including the high vaccination rates, the views of our team members obtained through a consultation process and the basis that its continuance is unlikely to have a substantive impact on the health and safety of team members and/or customers moving forward.



## 7. Future actions

Accent Group has adopted a continuous improvement approach regarding our modern slavery risk management. This approach is encouraged by the Act and aligns with our ESG Framework commitments to building and maintaining sustainable business practices. We recognise that addressing modern slavery risks is a challenging and complex process and are committed to strengthening our approach over time. We will continue to identify areas to improve and seek out opportunities to collaborate with other organisations in our industry moving forward.

Last year we made several commitments for FY22, and we are pleased to report that we have progressed many over the past twelve months. That said, there is still work to do.

**Table 3 – Progress against commitments in FY22**

<b>FY22 Commitment</b>	<b>Our Progress in FY22</b>	<b>Our FY23-24 Commitment</b>
<i>Formally setting expectations with our suppliers</i>	All Accent owned branded suppliers have been issued our Ethical Sourcing Policy. Our policy has also been included in our Wholesale terms of trade documentation.	We will review our Ethical Sourcing Policy and assess if updates are required. We consider translating the document into multiple languages.
<i>Undertaking a deep dive assessment of higher risk supply chain categories</i>	We have used the OSC system to ensure we record supplier and factory information and the outcome of audit reports for Accent owned brands. These reports have been reviewed and suppliers have been given a “risk assessment”.	We will use the OSC system to further refine our Supplier Register across Tier 1 and Tier 2, where possible, to gather deeper insights into the supply chain and utilise this to enhance our risk assessment and corrective action plans.
<i>Implementing targeted due diligence activities in higher risk supply chain categories</i>	We have conducted training for team members across Accent owned brands to formally assess the outcomes of supplier audits.  We have also implemented OSC; a standalone system that supports our analysis and follow-up of audit outcomes.	We will use the outcomes of supplier audits to create corrective action plans with our suppliers across Accent owned brands
<i>Gaining a deeper understanding of the activities of brand partners</i>	We continued to discuss modern slavery with new and established brand partners.  Embedding the principles of ethical sourcing into our key supplier meetings has assisted to raise awareness across our supply chain and achieve scale throughout the business.	We will continue to establish modern slavery as a discussion topic in our meetings with exclusive and non-exclusive brand partners.  We will continue to train our key team members to have these conversations with suppliers across Accent Group.
<i>Delivering training for our people</i>	We ensured that our Modern Slavery Training was extended to the wider Accent Group audience and providing bespoke training for key team members across Merchandise Planning, Customer Experience, People & Culture and IT.	We will develop a Modern Slavery and Ethical Sourcing training module and make it available to team members via the newly developed Accent Group Learning Management System.

## 7. Future actions

FY22 Commitment	Our Progress in FY22	Our FY23-24 Commitment
<i>Determine our approach to sourcing of higher risk commodities</i>	We have determined the source of supply for Cotton used in Accent Group owned apparel.	We will use OSC to assist with obtaining and storing our fibre tracing documentation to support our management of higher risk commodities.
<i>Developing our grievance mechanisms and approach to remediation</i>	<p>We have communicated our grievance channels to suppliers who have received our Ethical Sourcing policy.</p> <p>We created the Accent Group owned brands supplier non-compliance and risk management policy to define our approach to remedying potential modern slavery issues arising through supplier audits and other mechanisms.</p>	We will consider translating our Ethical Sourcing policy to further communicate our grievance channels to suppliers.
<i>Adjusting our due diligence process to formally consider modern slavery</i>	A Modern Slavery assessment was conducted when we signed new key supplier relationships such as: new distribution brands, third party outsourcing contracts and other key suppliers across the Group.	We will continue to ensure that the formal assessment of modern slavery is embedded into the due diligence process, so that modern slavery risks can be assessed before we enter into a relationship for new distribution brands or any significant supply contracts.



## 8. Appendix A – list of Accent Group subsidiaries

Name	Principal place of business/ Country of incorporation
The Athlete's Foot Australia Pty Ltd	Australia
TAF Constructions Pty Ltd <sup>(a)</sup>	Australia
RCG Brands Pty Ltd	Australia
RCG Retail Pty Ltd	Australia
TAF eStore Pty Ltd <sup>(a)</sup>	Australia
TAF Partnership Stores Pty Ltd <sup>(a)</sup>	Australia
TAF Rockhampton Pty Ltd <sup>(b)</sup>	Australia
TAF Eastland Pty Ltd <sup>(b)</sup>	Australia
TAF The Glen Pty Ltd <sup>(b)</sup>	Australia
TAF Hornsby Pty Ltd <sup>(b)</sup>	Australia
TAF Hobart Pty Ltd <sup>(b)</sup>	Australia
TAF Booragoon Pty Ltd <sup>(b)</sup>	Australia
Accent Group Ltd <sup>(c)</sup>	New Zealand
Platypus Shoes Ltd <sup>(d)</sup>	New Zealand
Accent Footwear Ltd <sup>(d)</sup>	New Zealand
Hype DC Ltd <sup>(d)</sup>	New Zealand
TAF New Zealand Ltd <sup>(d)</sup>	New Zealand
Accent Brands Pty Ltd <sup>(c)</sup>	Australia
Platypus Shoes (Australia) Pty Ltd <sup>(c)</sup>	Australia
42K Pty Ltd <sup>(e)</sup>	Australia
Accent Store Development Pty Ltd <sup>(f)</sup>	Australia
RCG Accent Group Holdings Pty Ltd	Australia
Hype DC Pty Ltd	Australia
Subtype Pty Ltd	Australia
Pivot Store Pty Ltd	Australia
Accent Lifestyle Pty Ltd	Australia
Accent Active Pty Ltd	Australia
Subtype Limited (d)	New Zealand
Accent Active (NZ) Limited	New Zealand
Accent Lifestyle (NZ) Limited	New Zealand

(a) Indirectly held through The Athlete's Foot Australia Pty Ltd

(b) Indirectly held through TAF Partnership Stores Pty Ltd

(c) Indirectly held through RCG Accent Group Holdings Pty Ltd

(d) Indirectly held through Accent Group Ltd (New Zealand)

(e) Indirectly held through Accent Brands Pty Ltd

(f) This company was renamed during the year ended 26 June 2022 (previously RCG Grounded Pty Ltd)



## 9. Appendix B – Mandatory Reporting Criteria

The below table identifies the location of material aligned to the mandatory reporting criteria in the Act within this Statement:

MRC#	Mandatory Reporting Criterion	Section	Page Number
MRC1	Identify the reporting entity	Introduction	Inside Front Cover
MRC2	<i>Describe the structure, operations and supply chain of the reporting entity.</i>	About Accent Group	2
MRC3	<i>Describe the risks of modern slavery across the operations and supply chain of the reporting entity.</i>	Risks of modern slavery in our operations and supply chains	7
MRC4	<i>Describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes.</i>	Our approach to managing risks of modern slavery	13
MRC5	<i>Describe how the reporting entity assesses the effectiveness of its actions.</i>	Assessing the effectiveness of our actions	18
MRC6	<i>Describe the process of consultation with any entities that the reporting entity owns or controls.</i>	About Accent Group: Governance and Consultation	5
MRC7	<i>Provide any other information that the reporting entity considers relevant.</i>	Managing the impacts of COVID-19	19

# **Accent** **Group**

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