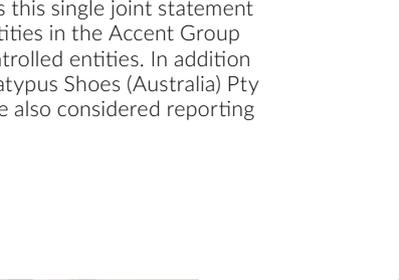
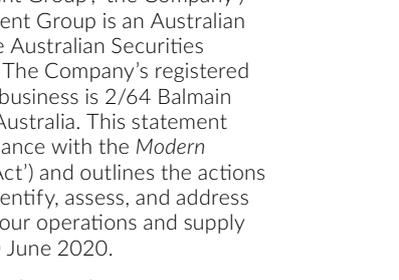
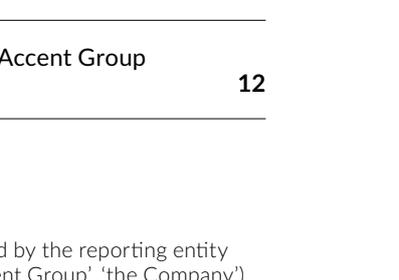
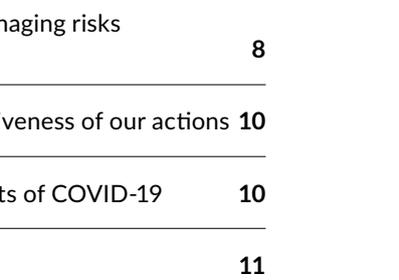
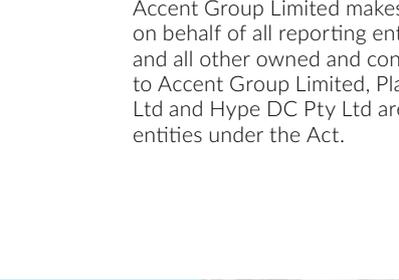
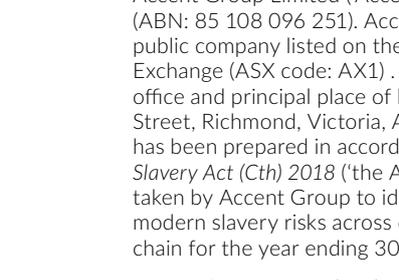
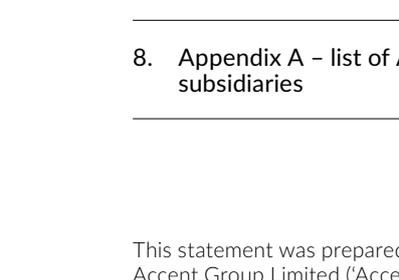
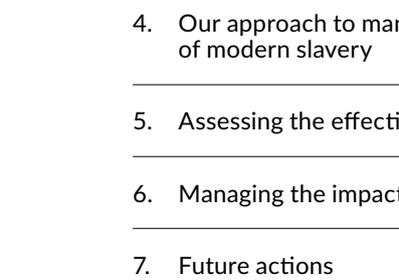
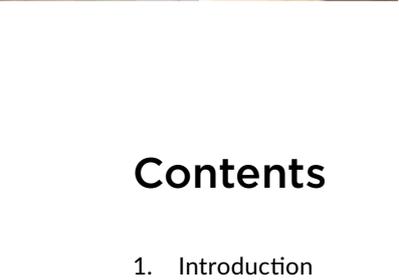


Accent Group LIMITED

Accent Group Limited Modern Slavery Statement



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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 chain for the year ending 30 June 2020.

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. In addition to Accent Group Limited, Platypus Shoes (Australia) Pty Ltd and Hype DC Pty Ltd are also considered reporting entities under the Act.

1. Introduction

We recognise that modern slavery is a systemic global challenge from which Australia is not immune. It is estimated modern slavery affects more than 40 million people globally. Modern slavery describes serious exploitation including forced labour, debt bondage, deceptive recruitment and child labour. These practices involve the exploitation and deprivation of an individual person's liberty for the personal or financial gain of another person.

Accent Group is committed to operating responsibly and acknowledge our responsibility and role in identifying and managing modern slavery risks. We maintain a broad set of policies and procedures that frame our approach to operating responsibly and managing modern slavery risks in our operations and throughout our supply chain.

We are in the early stages of establishing our modern slavery due diligence practices and are pleased with our progress to date, including:

- Establishment of an ESG Steering Group with representatives from across Accent Group, led by executive management, to drive the Company's initiatives on sustainability and modern slavery.
- Development of our first supplier code of conduct.
- Initial assessment of modern slavery risk in our operations and supply chain.
- Development of a database of our direct sourced merchandise suppliers to enable further due diligence.

We recognise that further efforts are needed to better identify, mitigate and remediate the risks that are present in our operations and supply chain. We look forward to working further with our suppliers, employees and other business partners to deepen our understanding of modern slavery risks and strengthen our due diligence practices. Our planned next steps for FY21 and beyond are outlined in Section 7 of this Statement.

2. About Accent Group

Accent Group owns and controls several entities that operate in Australia and overseas. A list of our subsidiaries is included in Appendix A. All entities in the Accent Group operate under a common central governance and management system.

OUR OPERATIONS

Accent Group is a leading digitally integrated consumer business in the retail and distribution sectors of branded performance and lifestyle footwear, with over 500 stores and 19 websites across 14 different retail banners. We hold exclusive distribution rights for 12 international brands across Australia and New Zealand. All our operations are located within Australia and New Zealand.

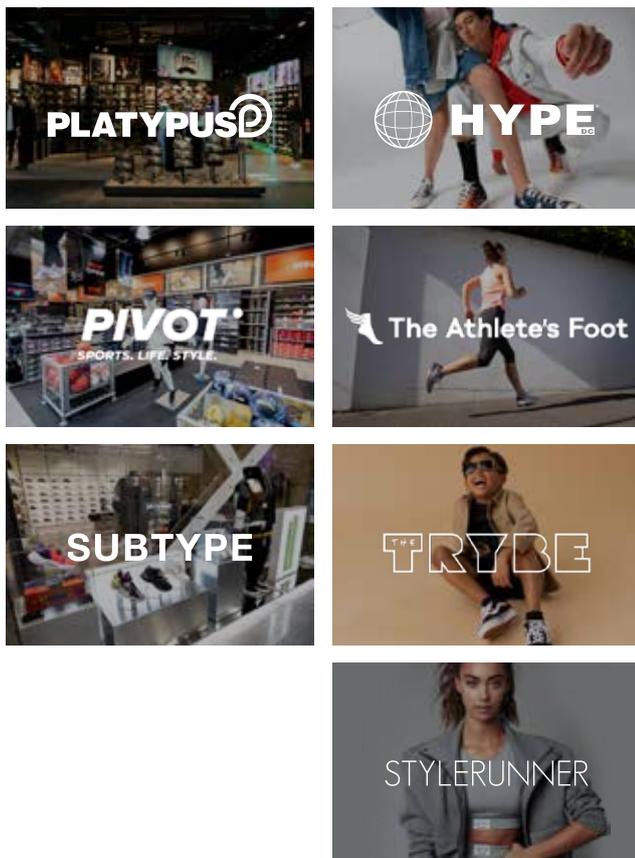
Our brands

Our brands include The Athlete's Foot ('TAF'), Platypus Shoes, Hype DC, Skechers, Merrell, CAT, Vans, Dr. Martens, Saucony, Timberland, Sperry, Palladium, Stance, Supra, Subtype, The Trybe, PIVOT and Stylerunner.

Figure 1 – Categories of Accent Group brands

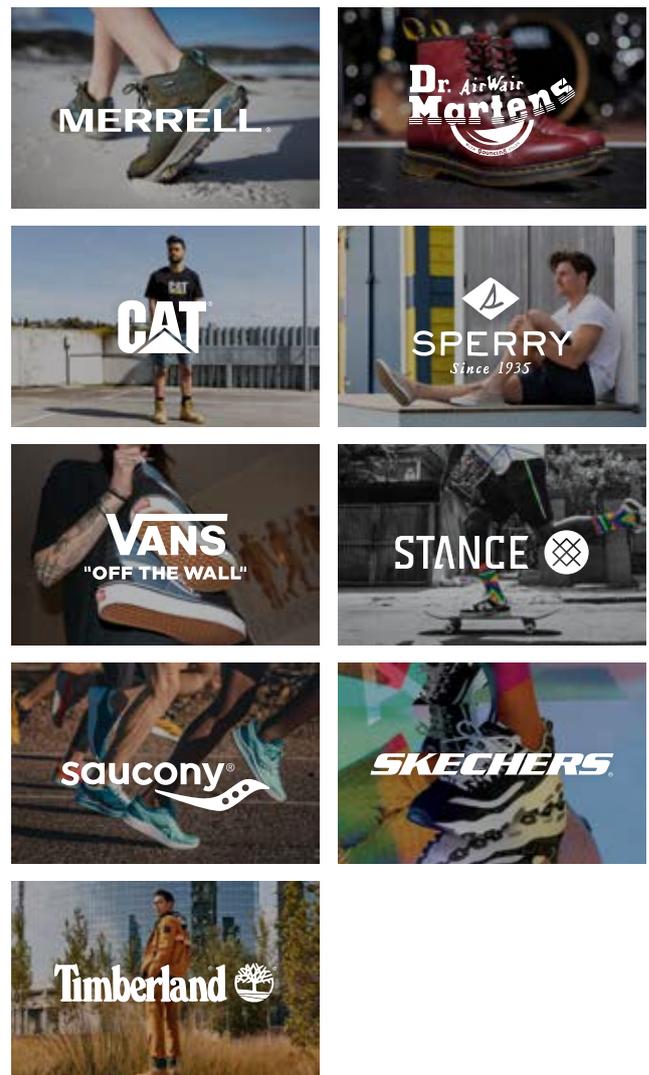
MULTI-BRAND RETAIL OPERATIONS

Retail stores and websites through which we sell supplier and internally sourced merchandise from a range of Australian and International footwear brands.



DISTRIBUTED BRANDS

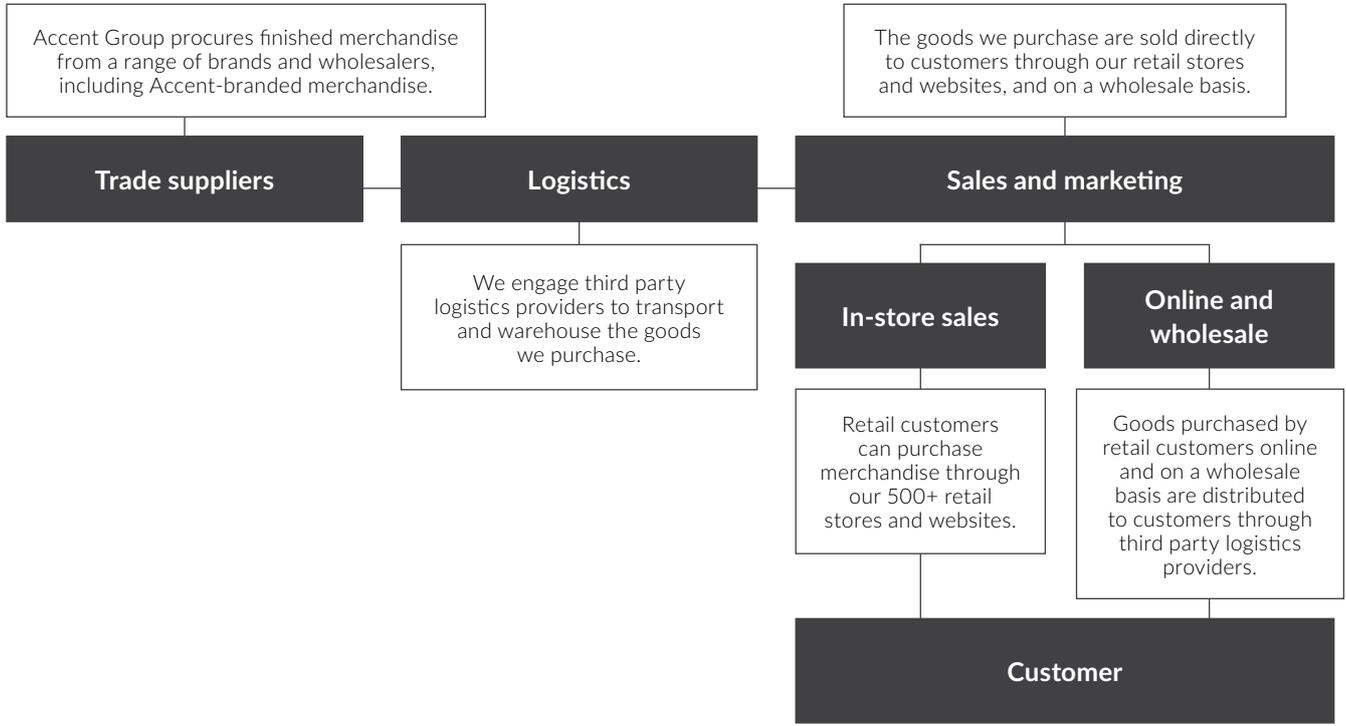
We hold exclusive rights for a range of international and Australian footwear brands. We sell merchandise from these brands in our multi-brand and stand-alone retail operations, and sell merchandise from these brands to other retailers on a wholesale basis.



2. About Accent Group

Our value chain

Figure 2 – Accent Group value chain



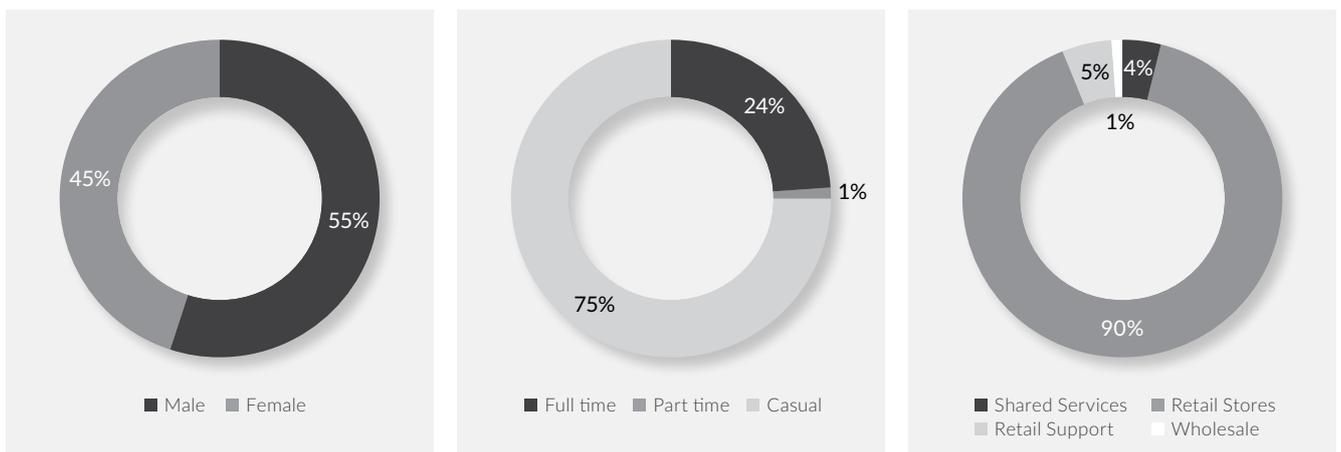
Non-sales operations and non-trade suppliers



Our Team

We directly employ more than 5,800 people in Australia and New Zealand in a range of roles across retail operations, retail support services including warehousing, wholesale, and shared services. More than 90 per cent of our workforce are in retail store operations roles. The other 10 per cent perform corporate functions and store support roles, including supporting the operations of our single operated warehouse. 75 per cent of our employees are employed on a casual basis and the majority of these employees work in retail store operations.

A breakdown of our workforce is provided below:



2. About Accent Group

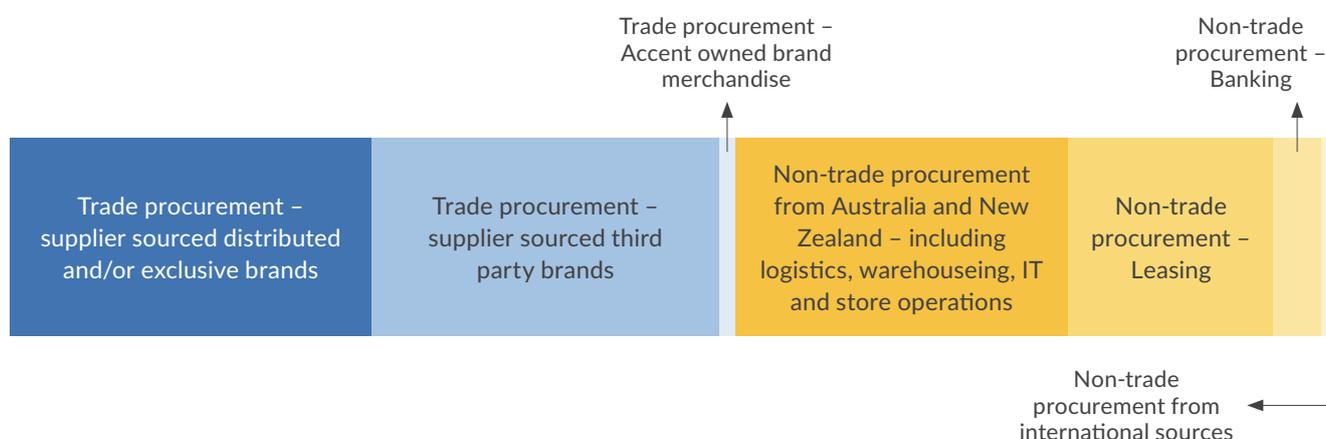
OUR SUPPLY CHAIN

The primary operations of our business are retailing and wholesaling of merchandise, and as such our direct procurement involves the acquisition of finished goods from trade suppliers. We also source a range of goods and services from non-trade suppliers to support our operations. Table 1 below summarises the key types of trade and non-trade goods and services we procured in financial year 2020.

Table 1 – Main categories of goods and services procured in FY20

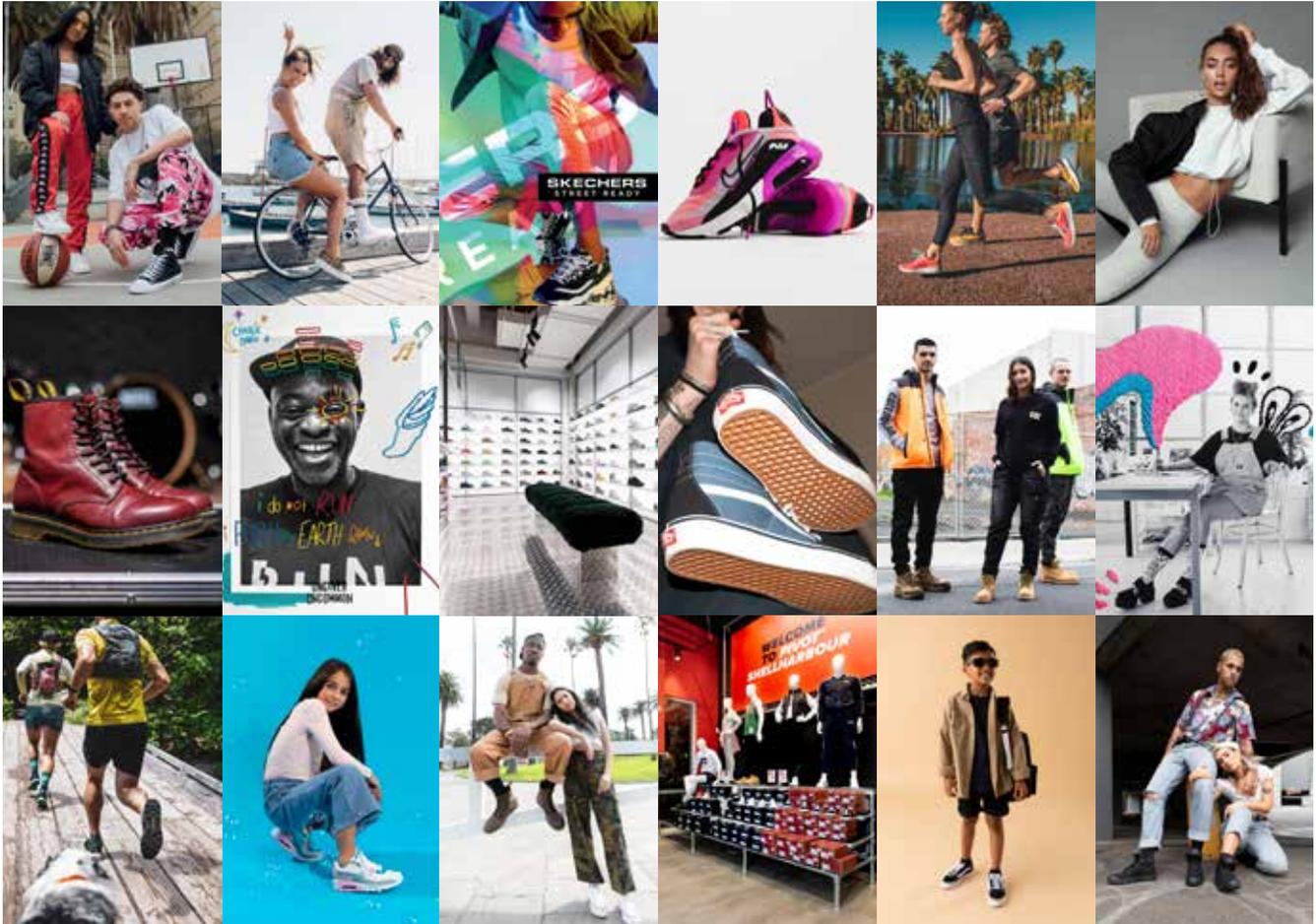
Supply chain segment	Category	Description
Trade suppliers – merchandise for sale and distribution	Supplier sourced distributed and/or exclusive brands	Merchandise that we source for direct retail and wholesale, e.g., Skechers, Vans, Dr Martens.
	Supplier sourced third party brands	Merchandise that we source solely for direct retail e.g., Nike, Adidas.
	Accent own branded merchandise	Merchandise created specifically for Accent owned brands that we source directly from third party agents for direct retail and wholesale, e.g., Platypus-branded socks and shoelaces.
Non-trade suppliers – goods and services not for resale	Logistics and warehousing	Freight and warehousing services used to transport purchased goods to 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 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.

Figure 4 – Accent Group supply chain spend in the 2020 reporting period



In the 2020 reporting period, we procured more than \$500m in goods and services and worked with more than 2,200 suppliers. A large portion of our supply chain spend relates to trade suppliers, with our top 20 suppliers representing almost 60% of this spend. Our merchandise brands are large, global companies, which we partner with on both an exclusive and non-exclusive basis.

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



Accent Group is committed to operating responsibly and ensuring that no person involved in our operations, including employees, customers and community members, is subject to exploitation. We acknowledge that there are likely to be modern slavery risks deeper in our supply chain.

In 2020 we developed an approach to assessing the risks of modern slavery in our operations and supply chain. We elected to focus our assessment on our supply chain as, given our operational risk management framework and location of operations, we felt that risks of modern slavery were more likely to be present and more significant in our supply chain.

Our initial risk assessment was informed by the procurement category, sector and location where this information was available. We then considered the mitigating factors including our relationship to the risk and any controls such as existing supplier activities.

RISKS IN OUR SUPPLY CHAIN

We recognise that there are inherent risks of modern slavery in the footwear and retail sectors. These range from risks associated with the harvesting and processing of certain commodities such as cotton and leather and the manufacturing of the footwear, to the use of third-party agents in purchasing, risks in the construction of store fit-out's and manufacture of materials used, and the use of third-party support services including logistics and freight, cleaning and security to support store operations.

We source merchandise for resale from many global organisations. The sales made by these organisations to Accent Group generally only make up a small proportion of these organisations' total sales and in many of these relationships we have a limited level of insight into these organisations' supply chains. We have a higher level of insight into the supply chains of our Accent own branded merchandise suppliers. As described in table 2, given the level of insight and influence we hold over these suppliers we have elected to prioritise establishing modern slavery risk due diligence practices for the Accent own branded product category.

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

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	Priority for action
Trade suppliers – merchandise for sale and distribution	Supplier sourced distributed and/or exclusive brands	High	As noted above, inherent risks of modern slavery are present in the footwear manufacturing sector. Most of the suppliers in this category are major Australian and international brands that generally have a mature understanding of supply chains, the risks within them and have established due diligence and risk mitigation practices. Given that we hold exclusive distribution rights for brands in this category, Accent Group has a heightened relationship to these risks and a greater ability to influence supplier performance.	Medium: further due diligence to be actioned in the next 12-24 months
	Supplier sourced third party brands	High	As noted above, inherent risks of modern slavery are present in the footwear manufacturing sector. Most of the suppliers in this category are major Australian and international brands which generally have a mature understanding of supply chains, the risks within them and have established due diligence and risk mitigation practices.	Medium: further due diligence to be actioned in the next 12-24 months
	Accent own branded merchandise	High	As noted above, inherent risks of modern slavery are present in the footwear manufacturing sector. The nature of Accent Group's relationships with suppliers of Accent own branded merchandise 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 have elected to prioritise due diligence and modern slavery risk management over this category. We are in the process of developing a database of tier 1, and where possible tier 2, Accent own branded merchandise suppliers to commence this process.	High: further due diligence to be actioned immediately

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

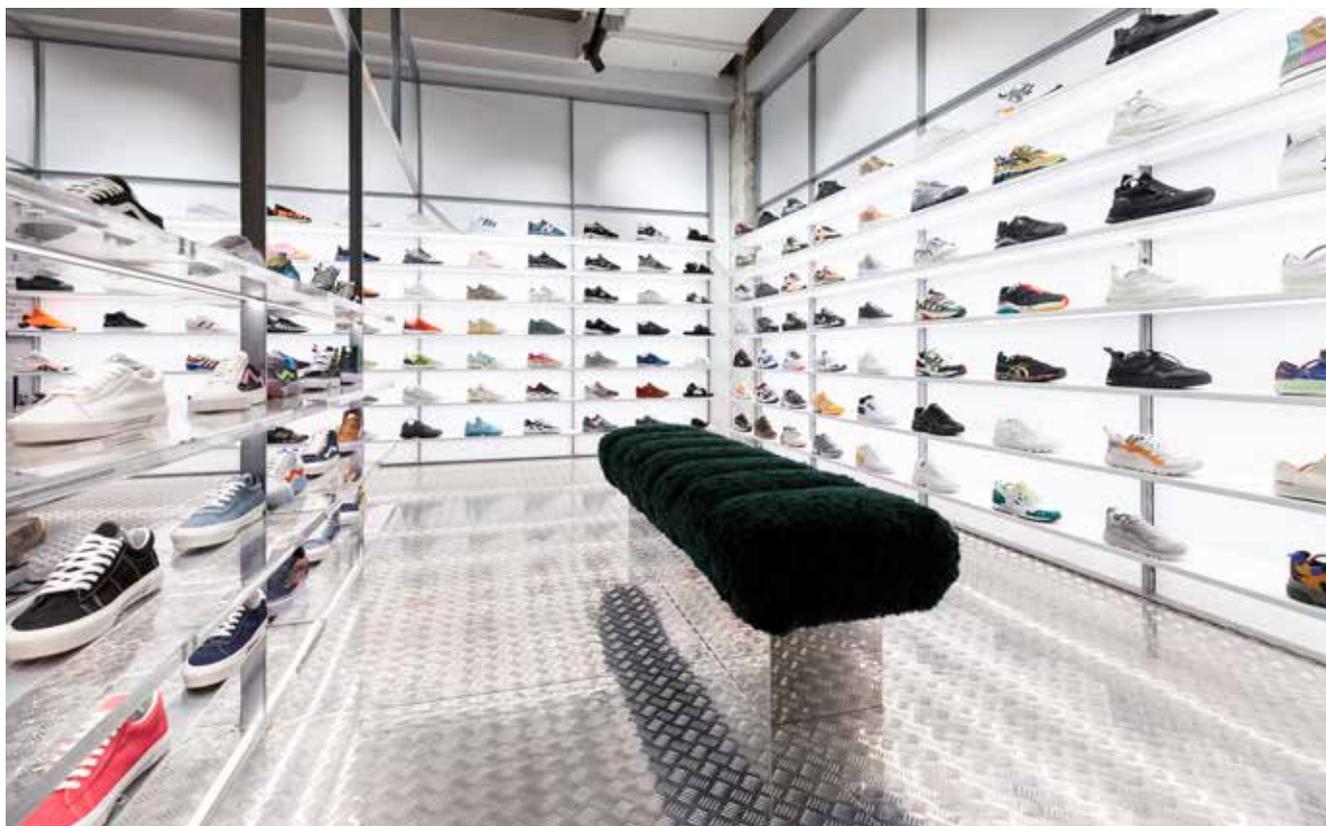
Supply chain segment	Category	Inherent risk rating	Identified risk factors	Priority for action
Non-trade suppliers – goods and services not for resale	Logistics and warehousing	Moderate	Inherent risks of modern slavery are associated with transport, warehousing and distribution activities in Australia. 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.	Low: perform further assessment of risks before planning due diligence
	Leasing and store development	Moderate	Inherent risks of modern slavery are associated with store fitouts and the construction materials used in them. Factors including the frequent use of migrant or lower-skilled labour, and poor or dangerous working conditions contribute to these risks.	Low: perform further assessment of risks before planning due diligence
	IT services	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.	Low: perform further assessment of risks before planning due diligence
	Marketing	Low	Limited inherent risk factors identified. Accent Group primarily Australian based services.	Low: perform further assessment of risks before planning due diligence
	Corporate services	Low	Limited inherent risk factors identified. Accent Group primarily Australian based services.	Low: perform further assessment of risks before planning due diligence
	Store operations	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.	Low: perform further assessment of risks before planning due diligence

RISKS IN OUR OPERATIONS

Our operations outside of our supply chain almost solely include direct employment of our employees. We operate in Australia and New Zealand and are required to comply with the industrial relations laws of these jurisdictions. 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. For these reasons we consider the risk of modern slavery in our operations to be low. We acknowledge that more than 75 per cent 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 protected by the same industrial relations framework as permanent employees.

4. Our approach to managing risks of modern slavery

We expect all our people to adhere to the highest legal, moral and ethical standards. We have developed a range of policies, procedures and controls to support our team and are developing a more robust framework to support our suppliers to meet these expectations.



SUPPLIER DUE DILIGENCE

In addition to introducing the supplier code of conduct, we are establishing due diligence practices to enhance our ability to identify and mitigate the risks of modern slavery in our supply chain. As noted in Section 3, the nature of our relationships with suppliers of Accent own branded merchandise enables us to obtain a greater level of insight into the operations and supply chains of these suppliers. For this reason, we have elected to focus our initial due diligence activities on suppliers of our own branded merchandise.

In 2020 we commenced the development of a database of our Accent own branded merchandise suppliers to enable further due diligence, including the examination of supplier performance in social audits. This database will consist of our tier 1 suppliers in this category, and where possible, tier 2 suppliers.

We plan to further develop our approach to supplier due diligence in the 2021 reporting period and will details of the changes to our approach in our 2021 modern slavery statement.

GOVERNANCE

The Board is responsible for ensuring that sound risk management strategies and policies are in place. Accent Group's Audit and Risk Committee has been delegated responsibility for monitoring the Group's risk management framework and is ultimately accountable for the Company's management of modern slavery risks.

In the 2020 reporting period, Accent Group established an ESG Steering Group to coordinate the Group's response to the Act. The Steering Group meets monthly and members include senior management of Accent Group who update the Audit and Risk Committee on progress against our modern slavery risk management activities.

4. Our approach to managing risks of modern slavery

POLICY FRAMEWORK

Our policies and procedures articulate our values, ways of working and the expectations of our team and suppliers. We maintain several policies that assist us to manage the risks of modern slavery in our operations and supply chain. Our internal policies collectively outline the standards of behaviour we expect of our employees, the working conditions they are entitled to and the mechanisms available to them to report issues or concerns. Our internal policies 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 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 that have information concerns about serious misconduct.
- **Diversity policy** – confirms Accent's commitments 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, harassment and grievance policies. All employees are provided with these policies, as well as the Code of Conduct and our standards conditions of employment in an employee handbook when they commence employment with us.

In 2020 we developed a supplier code of conduct that details the minimum standards that suppliers must adhere to as a condition of working with us, including:

- 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 and a healthy and safe working environment, a prohibition on the use of child labour, as well as the freedom from discrimination and harsh or inhumane treatment; and
- Making efforts to reduce their environmental impact and improve performance over time.

Our supplier code of conduct is guided by the Ethical Trading Initiative (ETI) Base Code and International Labour Organisation (ILO) standards.

In the 2021 reporting period we will incorporate the supplier code of conduct into our standard trading terms. We intend to perform periodic reviews of our supplier code of conduct in future reporting periods and will adjust or modify the code so that it continues to evolve in alignment with our business' priorities and stakeholder expectations.

TERMS OF EMPLOYMENT

Our team members are typically engaged under the applicable Award for the nature of work they undertake. The majority of our 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.

We have centralised processes in place to support new team member on-boarding, which includes checking that employees have the appropriate rights to work. We continue invest in ways to improve our monitoring and reporting on performance with regards to our team members. In the 2020 reporting period we developed a 'People Dashboard' which enables the Board and senior management to receive regular updates on key employee metrics.

EMPLOYEE ENGAGEMENT

During the year, the Company invested in a number of areas of employee engagement and support to ensure the Group attracts, develops and retains the best team members in the industry. We will continue to invest in our employee engagement program, including the implementation of an engagement survey in the 2021 reporting period and beyond.

5. Assessing the effectiveness of our actions

We are in the early stages of establishing our modern slavery due diligence practices and this has been a key focus in the first reporting period. We acknowledge that assessing the effectiveness of our actions is a critical step in ensuring that our processes continue to improve and meet the intention of the Act. We intend to implement the following processes to determine whether our approach to assessing and addressing the risks of modern slavery in our operations and supply chain is effective:

- Reviewing our approach to modern slavery risk management on an annual basis and reporting the findings Accent Group's Audit and Risk Committee
- Critically examining the comprehensiveness, detail and timeliness of our risk assessment process
- Tracking action completion and effectiveness with the ESG Working Group
- Monitor trends in relation to grievances raised, through channels such as our Whistleblower process, and identify root causes in order to deliver effective means of remedy

Further details on specific actions planned for the 2021 reporting period are outlined in Section 7.



6. Managing the impacts of COVID-19

The COVID-19 pandemic has caused unprecedented challenges for Accent Group and created an extremely challenging operating environment.

In order to safeguard the health and safety of our team and customers we initiated a Company-wide operations shut-down on 25th March. All stores owned by the Accent Group were closed for the duration of April and part of May.

The Company qualified for \$23.9 million in Government wage subsidies across Australia and New Zealand from April to June, of which \$10.7 million were passed directly through to team members.

During the periods in which our retail stores were operational, we introduced additional measures to support our team members' health, safety and well-being, including the use of COVID safe operating protocols, including the provision of personal protective equipment (PPE), and safety awareness-raising through training and the installation of in-store signage. We also introduced an employee assistance program (EAP) in 2020 and provided our employees with access to a range of other mental health initiatives. The mental health of our employees will continue to be a priority for the group in the 2021 reporting period.

We recognise that COVID-19 has had a far more significant impact in other countries, including those from where our products are sourced from. We worked collaboratively with our suppliers and landlords to ensure continuity of business through this challenging period. We remain committed to working with our suppliers and partners to minimise these potential impacts.

7. Future actions

As encouraged by the Act, Accent Group has adopted a continuous improvement approach to modern slavery risk management. We recognise that addressing modern slavery risks is a challenging and complex process and are committed to improving our approach over time. We will continue to identify opportunities to mature our approach and to collaborate with other organisations in our industry moving forward.

Our planned activities in the coming two years include:

- **Formally setting expectations with our suppliers** – we will launch our Supplier Code of Conduct and update our terms of trade with our suppliers to specifically outline our expectations of suppliers with regards to modern slavery risk management.
- **Undertaking a deep dive assessment of higher risk supply chain categories** – we will develop a database of tier 1 and where possible tier 2 suppliers for Accent own branded merchandise in order to support deeper due diligence activities.
- **Implementing targeted due diligence activities in higher risk supply chain categories** – we will implement a formal process for encouraging our direct suppliers to undertake social compliance audits. We also plan to proactively monitor the outcomes of these audits and support them to address corrective actions. We will also identify potential due diligence activities for our non-trade suppliers.
- **Gaining a deeper understanding of the activities of brand partners** – we will engage with our exclusive and non-exclusive brand partners to better understand and catalogue their activities in managing modern slavery risks.
- **Delivering training for our people** – we will develop and deliver a tailored training program for key team members involved in buying decisions to raise awareness of modern slavery and the potential risks for our business.

Approval of this statement

This statement was approved by the Accent Group Board on 18 November 2020.



Daniel Agostinelli
Chief Executive Officer
Accent Group Limited

8. Appendix A - list of Accent Group subsidiaries

Name	Principal place of business/Country of incorporation
Accent Brands Pty Ltd	Australia
Platypus Shoes (Australia) Pty Ltd	Australia
Hype DC Pty Ltd	Australia
Subtype Pty Ltd	Australia
Accent Stylerunner Pty Ltd	Australia
Pivot Store Pty Ltd	Australia
The Athlete's Foot Australia Pty Ltd	Australia
TAF Constructions Pty Ltd	Australia
TAF eStore Pty Ltd	Australia
TAF Partnership Stores Pty Ltd	Australia
TAF Rockhampton Pty Ltd	Australia
TAF Eastland Pty Ltd	Australia
TAF The Glen Pty Ltd	Australia
TAF Hornsby Pty Ltd	Australia
TAF Hobart Pty Ltd	Australia
TAF Booragoon Pty Ltd	Australia
RCG Brands Pty Ltd	Australia
RCG Retail Pty Ltd	Australia
RCG Grounded Pty Ltd	Australia
RCG Accent Group Holdings Pty Ltd	Australia
42K Pty Ltd	Australia
Cremm Pty Ltd	Australia
Accent Group Limited	New Zealand
Platypus Shoes Limited	New Zealand
Accent Footwear Limited	New Zealand
Hype DC Limited	New Zealand
TAF New Zealand Limited	New Zealand
Subtype Limited	New Zealand

Accent Group LIMITED



Accent
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