



# Accent Group

Accent Group Limited  
**2021 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 chains for the year ending 30 June 2021.

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 and Hype DC Pty Ltd are also considered 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 second Modern Slavery Statement, covers the reporting period 1 July 2020 to 30 June 2021. During this period, our company continued to grow, opening 90 new stores, and hiring an additional 900 team members across Australia and New Zealand. During the year we also acquired Glue Store and opened Stylerunner, our new multi-brand, retail stores. 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:

- Development of our first Ethical Sourcing Policy which was communicated to our key suppliers.
- Enhancement of our supplier onboarding process which now includes supplier commitment to our Ethical Sourcing Policy.
- Establishing manufacturing agreements with suppliers of Accent owned brands that provide us with contractual commitments to our ethical sourcing requirements.
- Recruitment of dedicated resources to manage our ethical sourcing program, including our modern slavery due diligence activities.
- Delivered modern slavery training for our Accent owned brands teams and our buying teams to build their awareness and capacity to identify modern slavery risks in the supply chain.
- Deeper assessment of the modern slavery risks in our supply chain which is refining our due diligence activities.

There continues to be more work to do. Key activities planned for the coming year include expanding due diligence to other areas of moderate and high risk in our supply chain, enhancing our approach to reviewing outcomes of supplier audits, and further developing our grievance mechanisms and approach to remediation. Further details on our planned next steps for FY22 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. Again, we look forward to working further with our team members, suppliers and broader business partners to strengthen our due diligence practices.

## **APPROVAL OF THIS STATEMENT**

This Statement was approved by the Accent Group Board on 18 November 2021.



**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 FY21, we operated over 600 retail stores and 31 websites across 26 different retail banners. During this period, we opened 90 new stores across Australia and New Zealand.

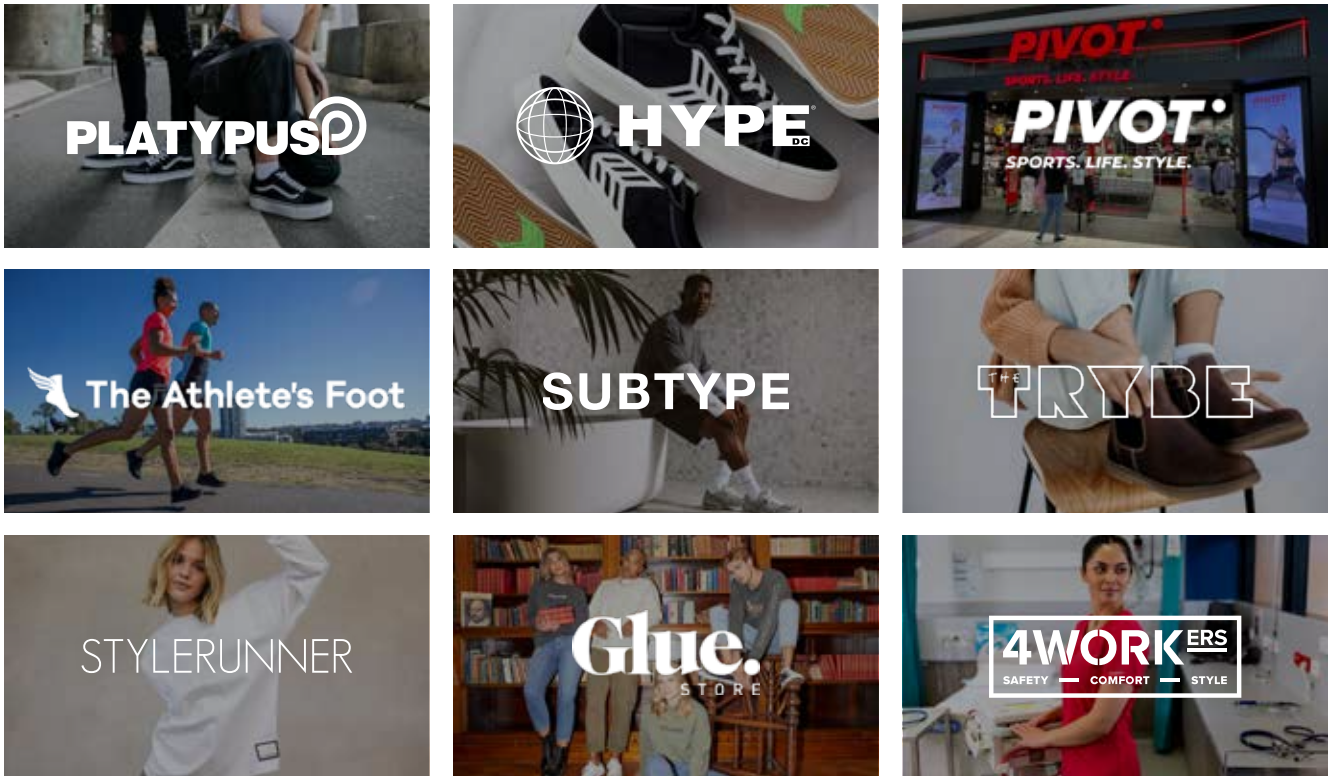
In April 2021, Accent Group acquired Glue Store retail and wholesale brands businesses, which increased our store footprint by 22 stores and brought with it brands such as Article One, Lulu & Rose, Nude Lucy, and Beyond Her. We also concentrated on expanding our own branded labels to 11 in total with the introduction of Stylerunner the Label and Exie. We now hold exclusive distribution rights for 19 international brands across Australia and New Zealand.

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

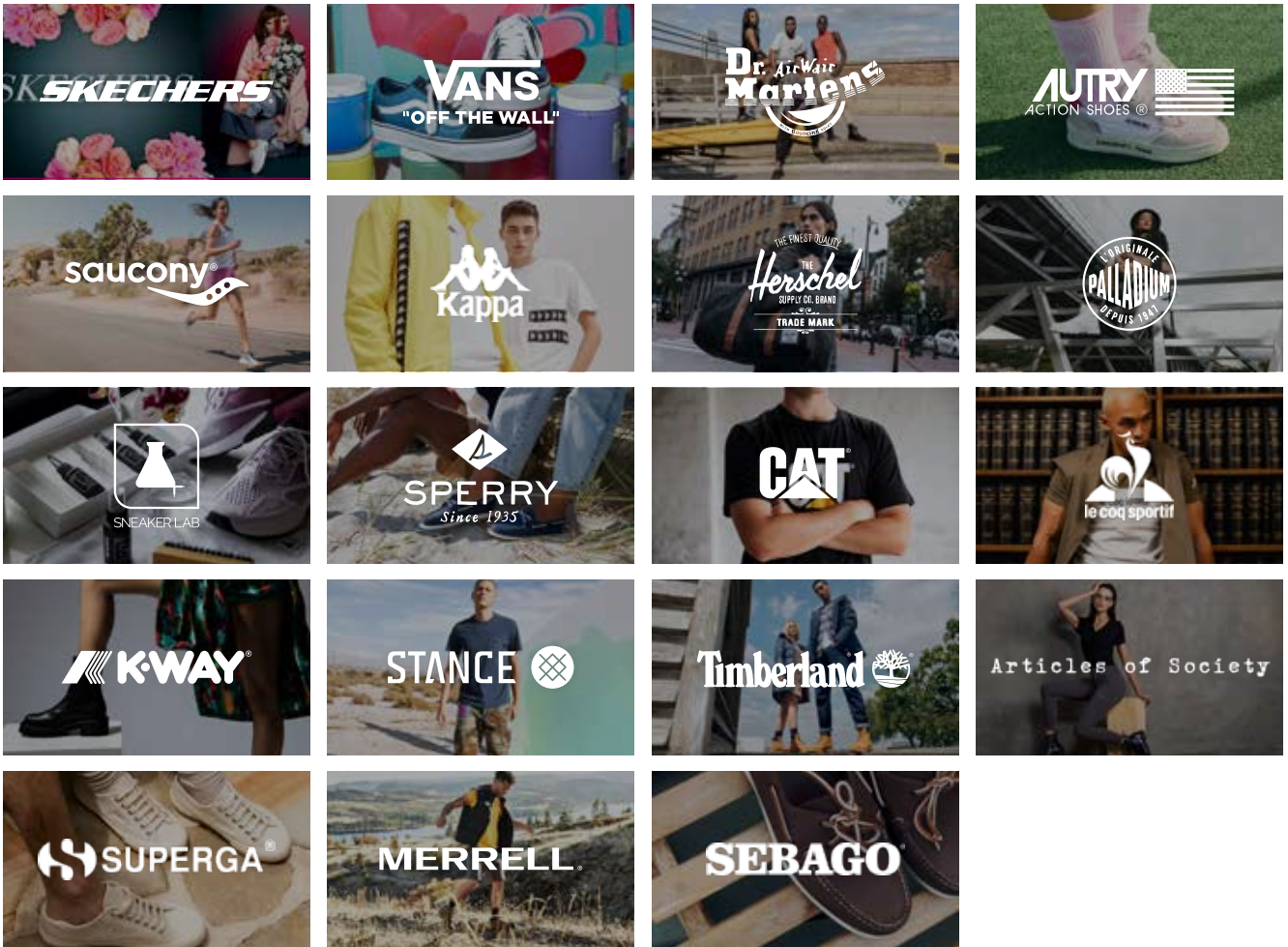
- **Multi-brand retail operations:** The retail stores and websites through which we sell third-party and own-branded merchandise, including a range of Australian and International footwear and apparel brands.
- **Distributed brands:** We hold exclusive distribution rights for a range of international and Australian footwear brands. We sell merchandise from these brands in our multi-brand and stand-alone retail operations. 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.

Figure 1 – Accent Group operations (at June 30, 2021)

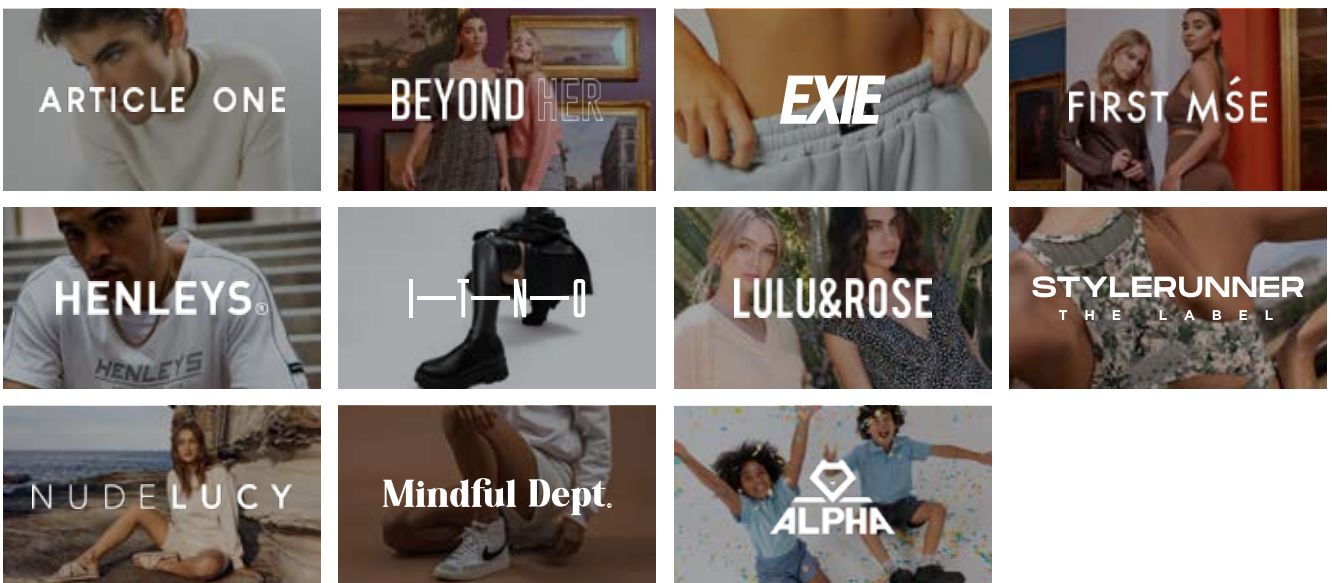
### MULTI-BRAND RETAIL OPERATIONS



DISTRIBUTED BRANDS



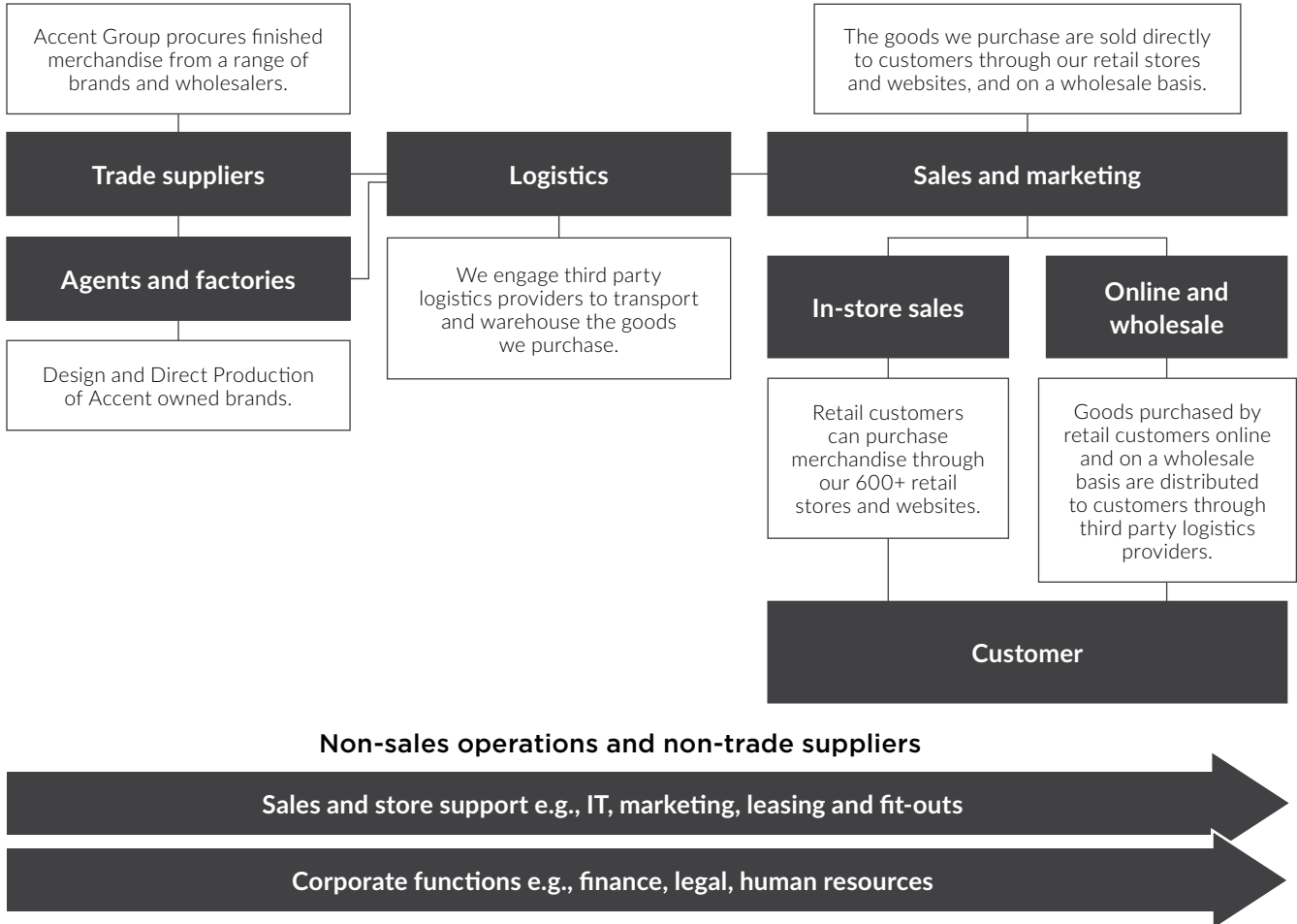
ACCENT OWNED BRANDS



## 2. About Accent Group

### Our value chain

Figure 2 – Accent Group value chain



### Our workforce

Accent Group directly employs almost 6,000 people across Australia and New Zealand. Throughout the reporting period we recruited more than 900 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.

Over the past twelve months we reviewed our employee contracts and sought to migrate those on a casual contract to permanent part-time contracts. We created 300 new permanent roles across our stores and businesses, and therefore now have fewer team members on casual contracts when compared to the end of FY20.

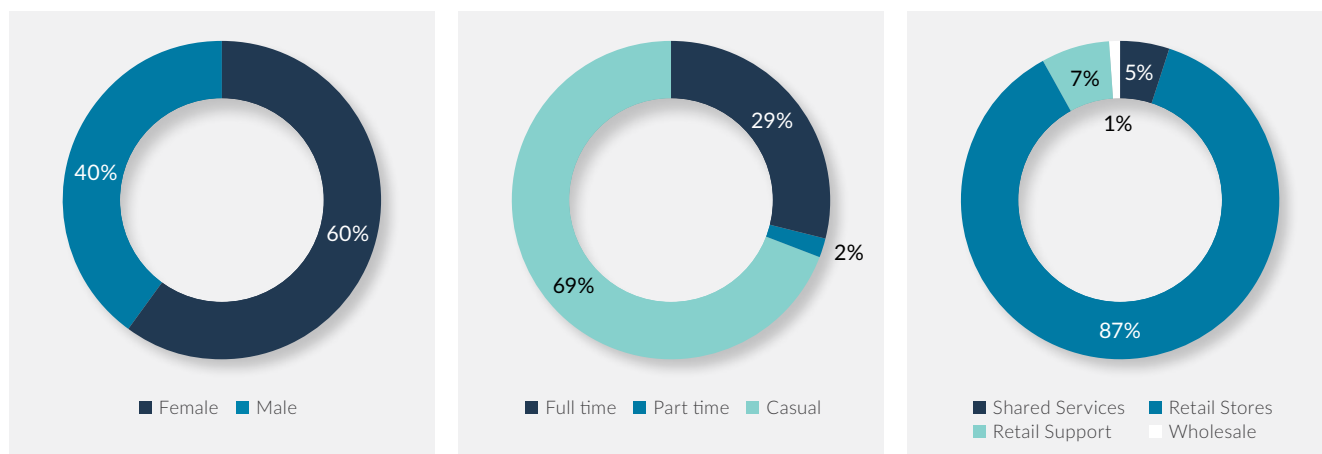
During the year we also saw a 5% increase in the proportion of female team member across the group, rising from 55% of team members in FY20 to 60% of team members in FY21. This increase is in part due to our conscious investment in female-orientated brands such as Stylerunner, Exie and Nude Lucy.

With the ongoing impact of COVID-19; we maintained a focus on our people – keeping all permanent team members in full employment and on full pay throughout the FY21 year. Accent Group received government grants under the JobKeeper program, deploying all funds to our people to 31st of July 2021. This support enabled us to keep team members employed during the various government mandated store closures that occurred throughout the year.

## 2. About Accent Group

A breakdown of our workforce is provided below:

Figure 3 – Accent Group workforce



### OUR SUPPLY CHAIN

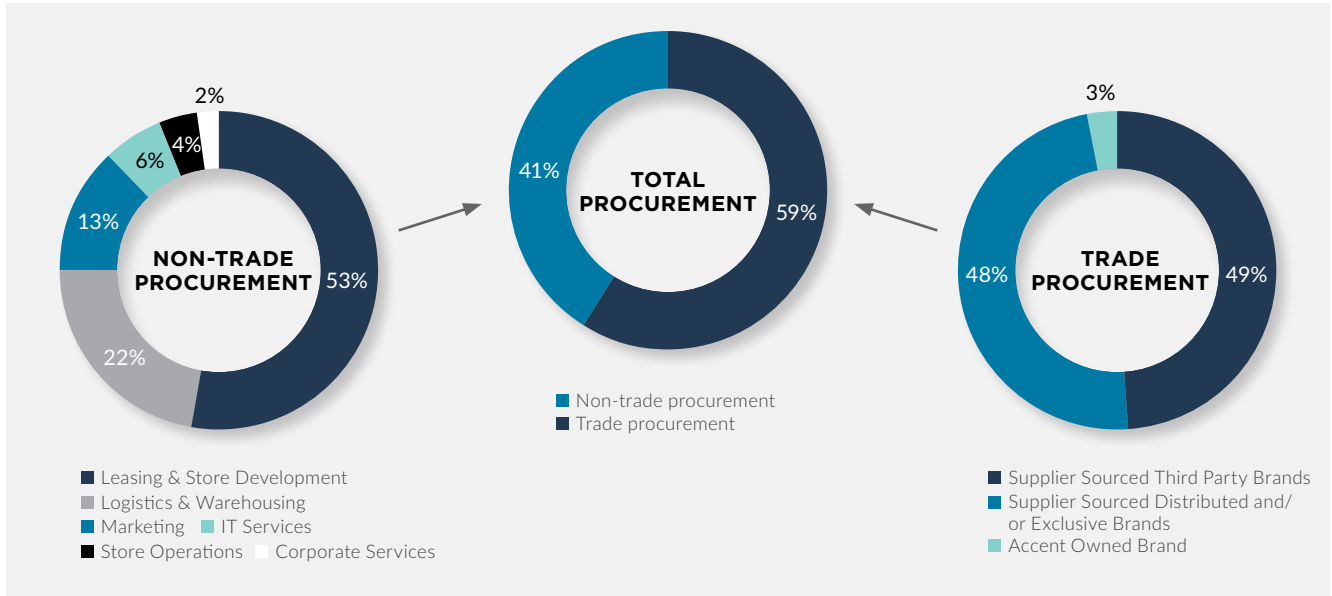
The primary operations of our business are retailing and wholesaling of merchandise, and as such our direct procurement involves the acquisition of finished goods from trade suppliers. We also source a range of goods and services from non-trade suppliers to support our operations. Table 1 below summarises the key types of trade and non-trade goods and services we procured in financial year 2021.

Table 1 – Main categories of goods and services procured in FY21

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 and Stylerunner the Label apparel.
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.

## 2. About Accent Group

Figure 4 – Accent Group supply chain spend in the 2021 reporting period



In the 2021 reporting period, we procured more than \$750m in goods and services and worked with more than 2,000 suppliers. The majority of our supply chain spend relates to ‘trade’ suppliers (59%), with our top 20 suppliers within this category representing 75% 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 almost doubled 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 2021 is included in Appendix A. In addition to Accent Group Limited, Platypus Shoes (Australia) Pty Ltd and Hype DC 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 FY20, 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.

Accent Group established a Modern Slavery Steering Group last year to coordinate the Group’s activities in this area. The Steering Group consists of key representatives across the organisation including the Chief Financial and Operating Officer who is also Co-Company Secretary. The Steering Group focused on delivering the first Accent Modern Slavery Statement in FY20 and on delivering the commitments made.

In response to Accent Group’s maturing approach to sustainability, the responsibilities of the Steering Group were expanded, and the group was renamed the ‘ESG Steering Group’. It has since operated with a wider remit based on the Group’s Environmental and Social Governance (ESG) Framework comprising three pillars: Our People, Our Responsibilities, and Our Environment. Modern slavery risk management is a standing agenda in the bi-monthly ESG Steering meetings as it forms a core element of the “Our Responsibilities” pillar.



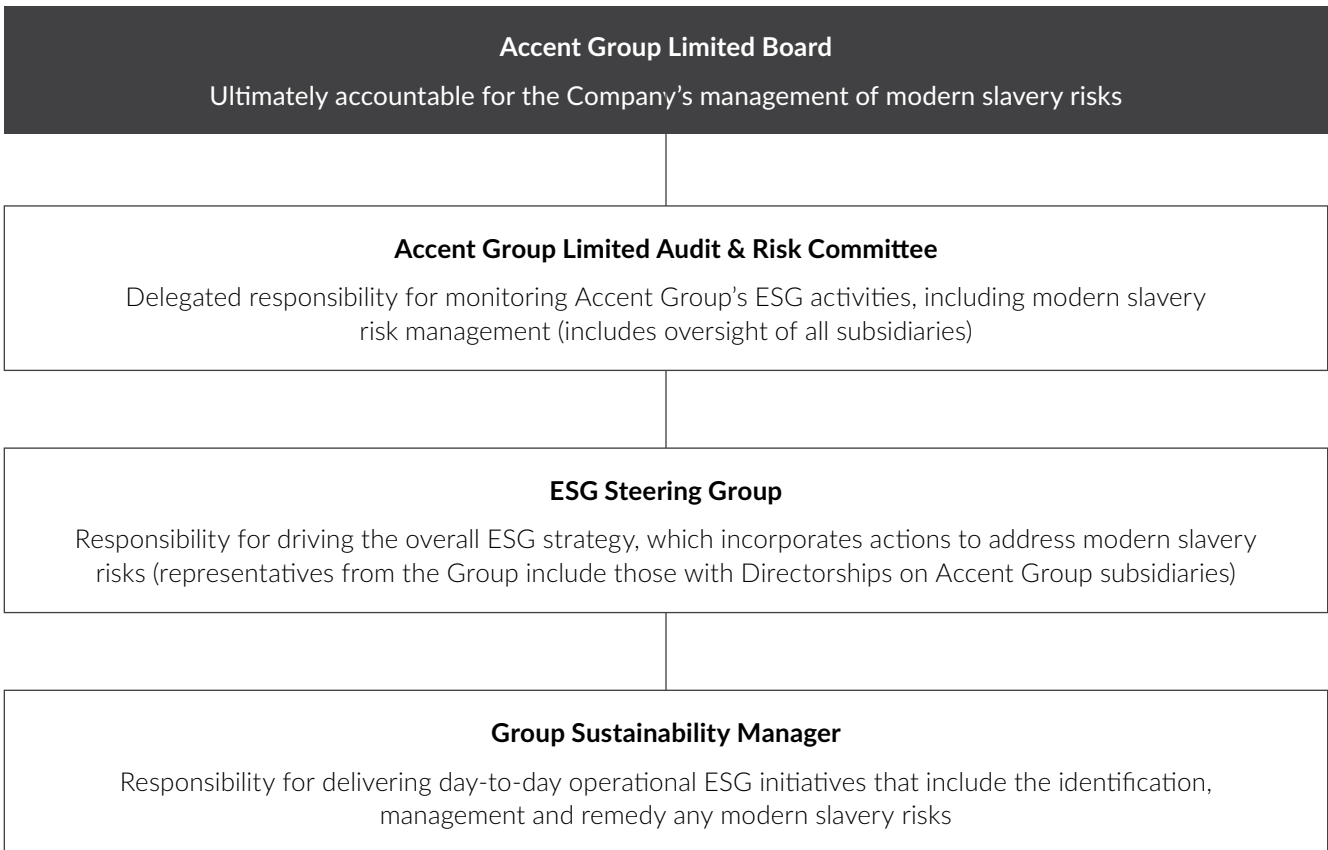
## 2. About Accent Group

Figure 5 – Accent Group ESG Framework



The Steering Group was initially chaired by the Head of Supply Chain. In March 2021, Accent Group's newly appointed Group Sustainability Manager was appointed chair of the Steering Group and is responsible for monitoring the day-to-day modern slavery risk management activities across the Company.

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.

This year we have undertaken a more 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. 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 group 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. We again focused on better understanding risks in our supply chain given the complexity and heightened risk due to the high proportion of our international sourcing.

In the reporting period, Accent Group operated completely within Australia and New Zealand and whilst we understand potential operational risk exists, we have not yet completed a formal risk assessment of our operations as 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 are our focus.

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

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 detailed 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  <i>Representing approximately 28% of total spend and 1% of total suppliers by number</i>	High	As noted in Section 2 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 processes.  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 law is 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. We have therefore elevated this category as an area of deeper due diligence.	<b>High – further 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	Priority for action
Trade suppliers – merchandise for sale and distribution (continued)	Supplier sourced third party brands <i>Representing approximately 29% of total spend and 10% 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. Most of the 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>Medium – further due diligence to be actioned in the next 12 months.</b>
	Accent owned brands <i>Representing approximately 1% 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>High – due diligence activities remain focused here.</b>

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

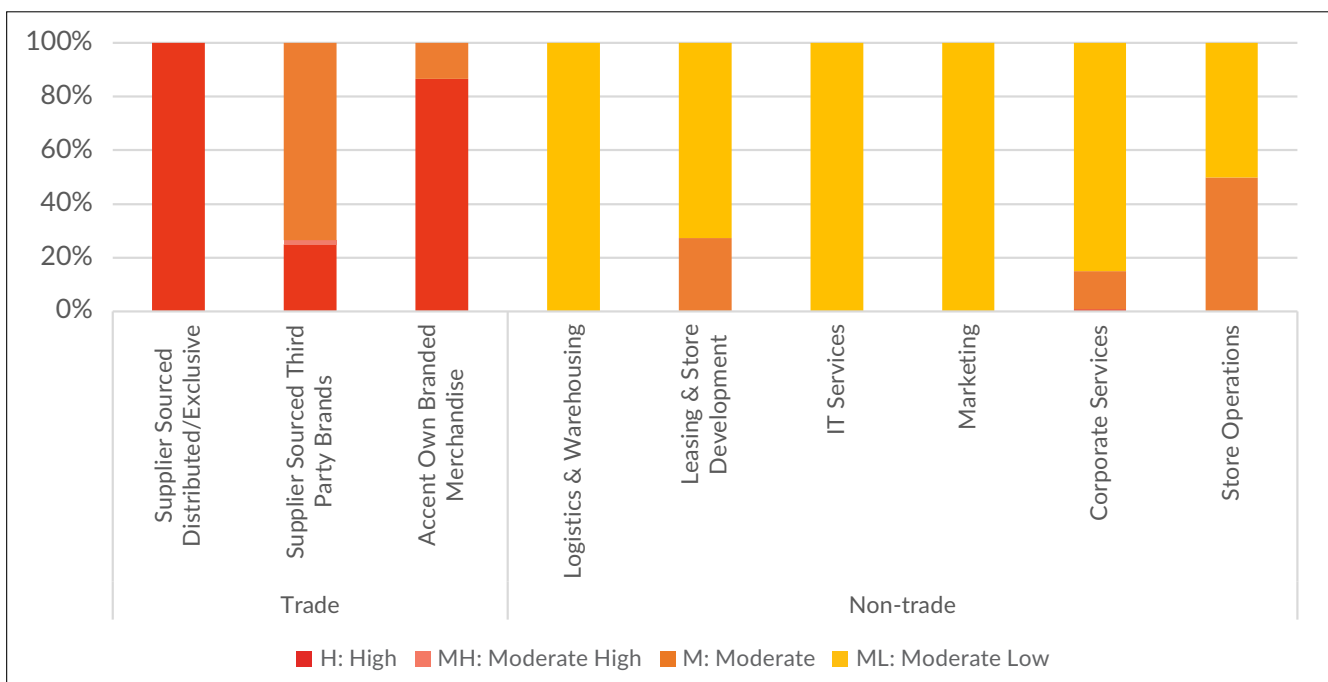
Supply chain segment	Category	Inherent risk rating	Identified risk factors	Priority for action
Non-trade suppliers – goods and services not for resale	Logistics and warehousing <i>Representing approximately 9% of total spend and 4% of total suppliers by number</i>	Low to Moderate	Inherent risks of modern slavery are associated with transport, warehousing, and distribution activities. Although all 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 refine our risk assessment of this category.	<b>Low – perform further assessment of risks before planning due diligence.</b>
	Leasing and store development <i>Representing approximately 22% of total spend and 22% 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. We have therefore re-prioritised action here.	<b>Medium – further due diligence to be actioned in the next 12 months.</b>
	IT services <i>Representing approximately 3% of total spend and 6% 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 however the risks deeper in the supply chain may need to be investigated. This category represents a small proportion of spend and total suppliers. We will continue to refine our risk assessment of this category.	<b>Low – perform further assessment of risks before planning due diligence.</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>Low – perform further assessment of risks before planning due diligence.</b>

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

Supply chain segment	Category	Inherent risk rating	Identified risk factors	Priority for action
	Corporate services <i>Representing approximately 1% of total spend and 5% of total suppliers by number</i>	Low to Moderate	Inherent risk revised to Low-to-Moderate due to a refined assessment and better understanding of the types of suppliers within this category. 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. We have re-prioritised action as a result.	<b>Medium – further due diligence to be actioned in the next 12 months.</b>
	Store operations <i>Representing approximately 2% of total spend and 28% 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. Again, we have re-prioritised action as a result.	<b>Medium – further due diligence to be actioned in the next 12 months.</b>

Figure 7 below outlines the inherent risks of modern slavery for each supply chain category based on Industry and Country based risk assessment, as described above. Note that the overall proportion of inherent risk was determined by the highest risk rating assigned to each of the four types of modern slavery assessed.

**Figure 7 – Proportion of inherent risk ratings of suppliers within each supply chain category**



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

#### **CASE STUDY: INHERENT MODERN SLAVERY RISKS IN ACCENT OWNED BRANDS**

As outlined, the Accent owned brands category has been a priority across the reporting period. We are 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 early on is therefore critical.

Throughout the reporting period, we worked to gain better visibility of our procurement activities within this category, consolidating wherever possible and seeking to reduce any ad-hoc sourcing activity that expands the potential areas of risk to our business. Noting this also allows us to conduct deeper due diligence as we develop stronger relationships with fewer suppliers, and ultimately greater visibility of risks to potentially impacted people.

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 research conducted into the suppliers of our Accent owned brands, we were able to obtain the country of manufacture for 85% of suppliers. 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 this category are outlined below. As expected, there is a reasonably high level of risk across all types of modern slavery considered.

**Figure 8 – Inherent modern slavery risks for Accent owned brands by location**



Context for colour (relates to risk), size (relates to number of suppliers)

- **Australia:** Medium, 7 suppliers
- **United States:** Medium, 1 supplier
- **China:** High, 49 suppliers
- **Vietnam:** High, 1 supplier
- **Taiwan:** High, 1 supplier
- **Singapore:** High, 1 supplier

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



#### **RISKS IN OUR OPERATIONS**

Although Accent Group has not undertaken a formal risk assessment 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 almost 70% 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**

During the last twelve months we compiled a Supplier Register of Tier 1, and where possible Tier 2, suppliers for Accent owned brands. The register will continue to evolve as we gather further insights in our direct engagement with suppliers.

Accent Group launched its new Ethical Sourcing Policy in April 2021 which most of the suppliers of Accent owned brands signed during the reporting period. The remainder formally acknowledged the Policy by September 2021. This means all suppliers within this category have acknowledged they are aware of, and will adhere to, our ethical sourcing expectations which promotes fair working conditions.

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

A new 'manufacturing agreement' was also drafted and endorsed during the reporting period, outlining the terms that our suppliers agree 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 by early 2022.

During the reporting period we partnered with SEDEX, a company that provides a digital platform for suppliers to share data on their ethical and responsible practices. Whilst a number of Accent Group suppliers were already registered with the platform, providing us with valuable insights into our suppliers' modern slavery risk management activities, many were not. 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. We will review this approach as our audit program evolves.

As we work with our suppliers to collect the outcomes of their social audits, we are pleased to report that the majority 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 below, we are training our team members to analyse the various audit report formats, so they are best placed to liaise with our suppliers on supporting them to remedy any corrective actions.

We will implement a standalone system that supports our analysis of audit outcomes. This system will store audit reports in a central system and allow our team members to rate their suppliers and manage follow-ups across their supplier base. This will thereby strengthen our traceability of suppliers and factories. The system was launched to the Accent owned brands team in November 2021.

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

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

During the year we updated our trading terms agreement to include reference to our Ethical Sourcing Policy and as such, adherence is implied upon formalising the trading terms. These new terms will continue to be rolled out across all new suppliers within these categories.

We also engaged directly with a selection of our exclusive and non-exclusive distribution partners to better understand and catalogue their activities in relation to modern slavery risk management. We facilitated a number of one-to-one meetings with these brands with the objective of sharing our expectations, gaining deeper insight on our supply chain, and to learn from each other on what due diligence activities are most effective. In these discussions, we also shared the 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.

During the year we held discussions with Dr Martins, Skechers, VF Corp (Vans, Timberland), Puma, Adidas, Birkenstock and Sperry. We believe it is important to maintain an open dialogue to 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.

### BUILDING CAPACITY ACROSS THE GROUP TO BETTER MANAGE MODERN SLAVERY RISKS

A particular area of focus for Accent Group during FY21 has been building capacity within our business to drive our approach to modern slavery risk management. During the year we recruited a Group Sustainability Manager to lead our ethical sourcing program, amongst other ESG commitments. We also appointed a General Manager of Sourcing and Vertical Product who is leading the Accent owned brands team, and the associated modern slavery due diligence performed over suppliers of Accent owned brands. Within the Accent owned brands team, we also hired nine new supporting positions.

Accent Group has strong growth ambitions and will continue to build our internal capacity in managing modern slavery risks as our business grows. We are already seeing the benefits of having targeted roles to lead our ethical sourcing program and are confident in our ability to achieve the commitments we are making in this space.

#### CASE STUDY: MODERN SLAVERY TRAINING

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 and to people working in our supply chain. In response, we developed a range of targeted training programs which have been delivered throughout the year and up to preparing this Statement. 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 also attended a more targeted training session regarding supplier audits. This session introduced the types of audit activity that supports our ethical sourcing program, the complexity around relying on these audits, as well as the value provided, such as identifying corrective actions. The hands-on session supported our team to gain a more practical insight into how to review the outcomes of supplier audits and how to engage with suppliers on any corrective actions. Ultimately, this program has provided the team with skills needed to better engage with suppliers on their audit process.

Further training is planned throughout FY22 including internal briefings to a wider Accent Group audience and training for our Customer Experience Team members.

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

### DEVELOPING 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 expanded our policy framework by launching our **Ethical Sourcing Policy** and communicating this to our trade suppliers.

Our originally titled 'Supplier Code of Conduct' was renamed as our 'Ethical Sourcing Policy' upon publication as we felt this better articulated the objective of what we were aiming to achieve with our suppliers. 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.

The Ethical Sourcing Policy was endorsed by the Board and shared with Accent Group trade suppliers in April 2021 (including Accent owned, distribution and third-party brands). We received positive feedback on the policy from a number of suppliers, several of whom also shared 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 that have information 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.

### ENHANCING OUR TERMS OF EMPLOYMENT

As outlined in our first Statement, 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.

Over the past twelve months we reviewed our employee contracts and sought to migrate those on a casual contract to permanent part-time in order to provide extra support when unexpected circumstances, such as COVID-19 arise. In FY21, we created 300 new permanent roles across our stores and businesses, and therefore now have fewer employees on casual contracts compared with the end of FY20.

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

### USING DATA-DRIVEN INSIGHTS TO SUPPORT OUR PEOPLE

We continue to strengthen our new team member on-boarding processes, which includes confirming that team members have the appropriate rights to work. We are also investing in ways to improve our monitoring and reporting on performance with regards to our team members.

Our 'People Dashboard' is providing 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 are also in the process of finalising our new HR system, which will provide a centralised platform for housing the 'People Dashboard' data as well as supporting onboarding and training processes for our people.

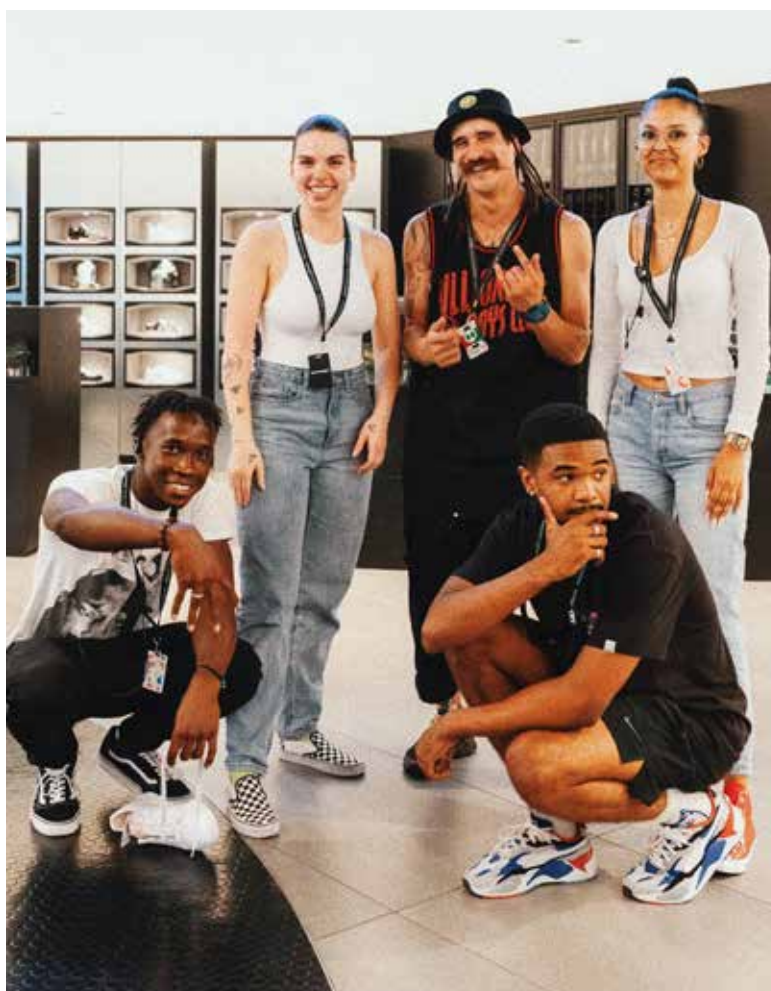
### ENGAGING OUR PEOPLE

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. In June this year we facilitated our first formal Team Engagement survey. The survey comprised 13 categories and 59 questions in total, spanning three focus areas: Culture & Values; Career Development and Reward, Recognition & Benefits. The results continue to provide invaluable insight into where Accent Group is currently meeting team member expectations and where further support may be required. The results of this survey are supporting the development of our FY22 People Strategy and are also enabling the leaders across our business to better understand and enact upon areas requiring improvement.

During the year we updated our key HR policies and developed a number of 'HR101' courses covering topics such as sexual harassment, bullying, recruitment, diversity & inclusion, customer aggression and various safety modules. These courses will be delivered in FY22 and thereafter to support our team members to better appreciate our expectations and their role in enabling a safe and fair workplace.

### STAMP YOUR FEET!

Our "Stamp Your Feet" program was also developed during the year, connecting our environmental and social sustainability objectives to our philanthropic activities. This program was launched outside of the reporting period, in September 2021, and will be strengthened throughout FY22. The program was received positively by our team members, and within the short period of time since launch, is already engaging our people in our purpose. The Team Engagement survey identified Sustainability and Corporate Social Responsibility as topics of importance for our team and will therefore remain a key priority area the Company.



In 2021, Accent Group dealt with a total of 6 claims that covered a range of issues across internal and external events. These were raised through the Fair Work Commission and the Australian Human Rights Commission. These incidents have all been reviewed and did not relate to any indicators of modern slavery. To ensure team members are informed and fully aware of Accent Group's expectations we will require that team members complete the previously stated 'HR101' courses.

## 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 to support in determining the effectiveness of our actions:

- Established a central Ethical Sourcing email inbox and communicated this to our suppliers providing them with a clear line of communication to raise any grievances and to contact for queries regarding our approach to ethical sourcing.
- Refined our modern slavery inherent risk assessment of suppliers and are utilising the outputs from this to re-prioritise our areas of focus and determine next steps.
- Monitored progress against our commitments within the ESG Steering Group (previously the Modern Slavery Steering Group) and refined our commitments based on discussion of the learnings from actions completed to date.
- Presented outcomes to Accent Group's Audit and Risk Committee who have provided challenge and guidance 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. In the coming year we will formalise reviews of audit reports received from suppliers and further refine our risk assessment process to integrate more detail as we gain greater insights into our supply chain. We also intend to review and enhance our grievance mechanisms and approach to remediation. Further details on specific actions planned for the FY22 reporting period are outlined in Section 7.

## 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 14 occurrences of government mandated restrictions and lockdowns during the reporting period. Throughout 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 FY21 reporting period, providing team members with constant access to a range of mental health initiatives.

As noted, we kept all of our permanent team members in full employment, and on full pay, through the year and created more than 300 permanent contracts in a review of casual positions.

The impact of COVID-19 abroad was again far more 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 recent audit reports from our suppliers when requested, but acknowledge the challenges associated in gaining access to sites due to COVID-19 related restrictions. We also understand there are capacity constraints during peak periods of audit activity following movement restrictions and will apply a pragmatic approach when seeking renewed reports from our suppliers.

It is reasonably likely that our operating environment will be impacted by COVID-19 for some time. We therefore remain committed to working collaboratively with our suppliers and partners and to be flexible in our ways of working.

## 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 FY21 and 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 FY21**

<b>FY20 commitment</b>	<b>Our progress in FY21</b>
Formally setting expectations with our suppliers	We launched our Ethical Sourcing Policy in April 2021 and updated our trading terms to include reference to our Ethical Sourcing policy.
Undertaking a deep dive assessment of higher risk supply chain categories	We compiled a Supplier Register of Tier 1, and where possible Tier 2, suppliers for suppliers of Accent owned brands.
Implementing targeted due diligence activities in higher risk supply chain categories	We developed our approach to requesting suppliers of Accent owned brands to undertake social compliance audits, received reports for most of our suppliers and have started analysing these.
Gaining a deeper understanding of the activities of brand partners	We met with key brand partners to understand their own modern slavery risk management activities. This is something we will continue to do as it helps inform our own approach as well as providing Accent Group with confidence that our brand partners are also committed to addressing modern slavery.
Delivering training for our people	We delivered modern slavery training for team members involved in buying decisions. This included Senior Leaders across the business, our Buyers and Accent owned brands team members.

## 7. Future actions

Table 4 – Future Commitments and Actions planned for FY22

Commitment	Actions planned for FY22
Formally setting expectations with our suppliers	We will continue to monitor and track suppliers' adherence to our Ethical Sourcing Policy and meet directly with key suppliers to outline our expectations with regards to modern slavery risk management.
Undertaking a deep dive assessment of higher risk supply chain categories	We expect to further refine our Supplier Register across Tier 1 and Tier 2, where possible, as we gather insights deeper into the supply chain and utilise this to enhance our risk assessment.
Implementing targeted due diligence activities in higher risk supply chain categories	We will train our team members across Accent owned brands to formally assess the outcomes of suppliers' audits, enabling team members to assist our suppliers to address corrective actions. We will also implement a standalone system that supports our analysis of audit outcomes.
We will progress our due diligence activities across moderate and high-risk supplier categories.	We met with key brand partners to understand their own modern slavery risk management activities. This is something we will continue to do as it helps inform our own approach as well as providing Accent Group with confidence that our brand partners are also committed to addressing modern slavery.
Gaining a deeper understanding of the activities of brand partners	We expect to establish modern slavery as a core discussion topic in our meetings with exclusive and non-exclusive brand partners. Embedding this into the standard meetings will help raise awareness in our supply chain team, achieve scale throughout the business and support in cataloguing their activities.
Delivering training for our people	We will continue to roll out our modern slavery training, such as offering internal briefings to a wider Accent Group audience and providing bespoke training for our Merchandise Planners and Customer Experience team members.
[New] Determine our approach to sourcing of higher risk commodities	We will develop Accent Group's approach to sourcing higher risk commodities, such as cotton.
[New] Developing our grievance mechanisms and approach to remediation	We plan to enhance the effectiveness of our grievance mechanisms through increasing awareness of available channels with our suppliers, especially with suppliers of Accent owned brands. We will also formally define our approach to remedying potential modern slavery issues arising through supplier audits and other mechanisms.
[New] Adjusting our due diligence process to formally consider modern slavery	The acquisition of Glue Store during the year included analysis of the business' approach to modern slavery.  Moving forward, we will ensure a formal assessment of modern slavery is embedded into the due diligence process, including an analysis of the target's current maturity, so that modern slavery risks can be assessed before we enter into a relationship for new distribution brands or any further acquisitions.

## 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
RCG Grounded Pty Ltd	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 <sup>(f)</sup>	Australia
Accent Active Pty Ltd <sup>(g)</sup>	Australia
Subtype Limited <sup>(d)</sup>	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 27 June 2021 (previously Cremm Pty Ltd)

(g) This company was renamed during the year ended 27 June 2021 (previously Accent Stylerunner 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	1
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	8
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	15
MRC5	<i>Describe how the reporting entity assesses the effectiveness of its actions.</i>	Assessing the effectiveness of our actions	19
MRC6	<i>Describe the process of consultation with any entities that the reporting entity owns or controls.</i>	About Accent Group: Governance and Consultation	6
MRC7	<i>Provide any other information that the reporting entity considers relevant.</i>	Managing the impacts of COVID-19	20

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