

KATHMANDU HOLDINGS LIMITED

# Sustainability Report 2020







Lake Wakatipu, Queenstown,  
New Zealand

# Chairman and CEO report.

## KATHMANDU HOLDINGS LIMITED

With the joining of our three brands, Kathmandu, Rip Curl and Oboz, we're excited to launch our first combined sustainability report this year. And what a year it has been!

As our family of brands grows, we have new opportunities and new challenges. We can leverage each of our strengths to work together for an even greater impact.

The challenge in the coming years will be to expand our B Corp certification and Fair Labor Organisation accreditation across the group.

Despite the impacts of Covid-19, all three brands have made significant strides in sustainability this year. Kathmandu celebrated 100% responsible cotton across its range. Oboz launched its first range with sustainable materials, and Rip Curl celebrated its 20th year anniversary of Rip Curl planet day.

People continue to be a huge focus for our organisation as we extend our efforts to improve the lives of workers in our supply chain and look for new ways to support our teams.

Covid-19 threw many challenges to our brands, but each of them have found ways to learn from these challenges and make the most of the opportunity to rethink the way we operate.



**DAVID KIRK**  
CHAIRMAN



**XAVIER SIMONET**  
GROUP CHIEF EXECUTIVE OFFICER



# Kathmandu Holdings 2020 sustainability highlights.



SCORED A B+ IN THE ETHICAL FASHION REPORT TWO YEARS RUNNING



COLLABORATED WITH KATHMANDU ON DEVELOPING OUR SUSTAINABILITY JOURNEY

20<sup>TH</sup> YEAR ANNIVERSARY

OF RIP CURL PLANET DAY



RECYCLED PLASTIC IN OUR POLYBAGS



FSC CERTIFIED

RECYCLED PAPER SWING TAGS ON PRODUCTS



BOTTLES WORTH OF FRESH WATER SAVED BY MOVING TO SOLUTION-DYED FABRICS (2017–2020)



100% SUSTAINABLE COTTON

IN OUR RANGE



OBTAINED THE RAINBOW TICK CERTIFICATION IN NEW ZEALAND FOR EMBRACING DIVERSITY AND INCLUSION



PLASTIC BOTTLES RECYCLED THROUGH OUR REPREVE PRODUCT RANGES (2015–2020)



LAUNCHED THE SYPES AND BOZEMAN COLLECTIONS CONTAINING RECYCLED MATERIALS AND ALGAE BLOOM INSOLES



IMPROVED GENDER DIVERSITY IN OUR TEAM WITH NOW

41% FEMALE REPRESENTATION



3.3 MILLION

TREES PLANTED SINCE THE COMPANY STARTED

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**Kathmandu<sup>®</sup>**

Summit Club member Brando hiking the Paparua track.



Summit Club members Ronja and Daniel exploring in Queenstown.

Our journey.

# Tā mātou rerenga.





# Our journey.

Kathmandu CEO Reuben Casey looks at what's beyond B Corp and how we're tracking one year into our five-year plan.

Last year, we announced our five-year plan, Best for the World, which has three pillars: people, planet and practice.

We obtained our B Corp certification, and now we're going further - working to become a leading global B Corp.

To achieve this, we need to start at the top. This year, we'll be embedding sustainability into our governance by introducing sustainability key performance indicators for senior leadership.

## BEST IN PRACTICE

Being a B Corp comes with a lot of responsibility, and if we don't have that responsibility embedded right at the top, it can be easy to overlook. Embedding sustainability into senior leadership helps formalise our B Corp commitment and also sends a strong statement to our team and our customers that we are committed.

## BEST IN PRACTICE 2025 GOALS

- Become a leading Global B Corp.
- Integrate circular economy principles within our business.

## BEST FOR PEOPLE

We released our social impact statement intending to positively change the lives of 100,000 people by 2025, and this is the area of our plan that excites me the most.

Every time we talk to our community, customers and shareholders, human rights is their number one priority. This drives us to focus on the people in our supply chain rather than on ticking boxes. I think it's important for all of us as consumers to remember

that real people are making our products, and the decisions we make have a real impact on their lives.

I'm proud of the work we've done to improve the lives of our employees too such as achieving the Rainbow Tick, which is especially important for making sure the 16% of our staff who identify as LGBTQIA+ feel safe and supported at work. As part of our response to Covid-19 we've introduced more flexible working policies this year, and we are looking for ways to support more women into future senior leadership roles.

## BEST FOR PEOPLE 2025 GOALS

- Empower our community to change 100,000 lives.
- All our team members embody our purpose and values.
- All direct suppliers across our business meet our minimum expectations on their social and environmental impacts.

## BEST FOR THE PLANET

Our biggest challenges will be introducing the concepts of circularity to our business. It's a big challenge for our industry as a whole, but we'll have to make progress there to achieve our goal of integrating circularity into our business by 2025.

We're proud to have our first solar-powered store in Melbourne this year and hope to expand this initiative.

We also achieved 100% sustainable cotton in our range and introduced the Moana range of backpacks made with recycled ocean plastics.

January's bushfires in Australia had a huge impact on our biggest market, and we felt compelled to respond. With the help of our customers, we managed to raise \$110,000 for the bushfire recovery.

## BEST FOR THE PLANET 2025 GOALS

- Net zero environmental harm from our business operations.
- 100% of products designed, developed and manufactured using elements of circularity principles.

## LOOKING BACK

We can't talk about this year without mentioning Covid-19, which saw stores across Australia and New Zealand shut in March. We worked with our suppliers to minimise the impact on them, and we are pleased that they've reported fewer than 5% of layoffs. We see our suppliers as partners, and some have been partners for a very long time.

Covid-19 has reduced our resources significantly, but we've managed to protect our commitment to sustainability. Having less money to spend means we've got to have more focus on what matters. We're aiming for a 'less but better' approach that allows us to focus on what makes the biggest impact.



**REUBEN CASEY**  
CEO

*R Casey*

# Best for the world 2025

OUR PROGRESS THIS YEAR TOWARDS ACHIEVING OUR 2025 SUSTAINABILITY GOALS.

## BEST FOR PEOPLE



ACHIEVED RAINBOW TICK



COVID-19 SUPPLIER COMMITMENT



INTRODUCED MORE FLEXIBLE WORKING POLICIES



PROVIDED EDUCATION TO 18,969 PEOPLE\*

## BEST FOR THE PLANET



FIRST RANGE USING OCEAN PLASTICS



FIRST SOLAR-POWERED STORE



100% SUSTAINABLE COTTON

## BEST IN PRACTICE



LOOKING AT SUSTAINABILITY KPIS FOR SENIOR LEADERSHIP




COLLABORATING WITH RIP CURL ON THEIR B CORP JOURNEY

\* Direct education provided to children and adults via AHF and NZHT





# Our partners.



**Certified B CORPORATION**

**B CORP**

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



**OUTDOOR INDUSTRY ASSOCIATION**

**OUTDOOR INDUSTRY ASSOCIATION**

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



**Sustainable Apparel Coalition**

**SUSTAINABLE APPAREL COALITION**

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



**FAIR LABOR ASSOCIATION**

**FAIR LABOR ASSOCIATION**

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



**bluesign®**

**BLUESIGN®**

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



**MEMBER TextileExchange**

**TEXTILE EXCHANGE**

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



**canopy**

**CANOPY**

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



**MEMBER OF LEATHER WORKING GROUP**

**LEATHER WORKING GROUP**


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



**CDP**

**CARBON DISCLOSURE PROJECT**

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



**TOITŪ ENVIROCARE**

**TOITŪ ENVIROCARE**

Our membership with Toitū Envirocare helps us to measure, manage and reduce our carbon footprint through our annual carbonreduce certification.



**APCO**

**AUSTRALIAN PACKAGING COVENANT ORGANISATION MEMBER**

**AUSTRALIAN PACKAGING COVENANT ORGANISATION**

We submit an annual report and action plan to APCO, which supports our packaging and waste strategy.



**AUSTRALIAN HIMALAYAN FOUNDATION**

**AUSTRALIAN HIMALAYAN FOUNDATION**


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



**HIMALAYAN TRUST**

**HIMALAYAN TRUST NEW ZEALAND**


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



**ELEVATE**

**ELEVATE**

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



**RAINBOW TICK CERTIFIED**

**RAINBOW TICK**

We achieved our Rainbow Tick certification this year, which demonstrates our commitment to diversity and inclusion in the workplace and creating a supportive work environment for our team members.









Thi Thanh Huyen, a worker at TGI factory outside of Ho Chi Minh City, Vietnam.

Our suppliers.

# Ngã Kaiw ha karo to.



# Our first report under the Modern Slavery Act.

“Our Modern Slavery Act statement reflects our wider approach to sustainability, but it’s much more than that.”

**GARY SHAW**

CORPORATE SOCIAL  
RESPONSE-ABILITY MANAGER

The Australian Modern Slavery Act came into force in 2018, requiring all companies operating in Australia to report annually from this year on the risks of modern slavery in their supply chains and how they will address those risks.

We prepared our first report this year, outlining our unique approach to human rights in the supply chain.

The International Labor Organization has reported that 89 million people<sup>1</sup> experienced some form of modern slavery in the last five years, and the impact of Covid-19 is expected to increase these numbers.

As a certified B Corp, our supply chain approach is framed by a benefit mindset. This requires a new business model that puts equal weight on profit and people. As authors Justine Nolan and Martijn Boersma write in *Addressing Modern Slavery*<sup>2</sup>, modern supply chain management tends to be more “aimed at treating the symptoms than tackling the underlying causes: the very nature of our business model”.

The Kathmandu approach goes beyond compliance to working alongside our suppliers to put people at the heart of our work. “Over the last five years, we have been shifting our suppliers to those who share our values of transparency and collaboration and are willing to work together on sustainable improvement,” says Corporate Social Response-ability Manager Gary Shaw.

Audits are the main mechanism used to monitor compliance in the supply chain, and they can be useful in flagging issues. However, they have generally failed to make a difference to the lives of workers. We have

therefore moved away from a pure compliance model to one that recognises each supplier’s strengths and challenges.

We have given workers a voice with innovative social media communication channels and anonymous confidential worker surveys that workers can complete using their mobile phones.

Kathmandu partners with ELEVATE to manage our audits and worker surveys and facilitate the necessary improvement projects in our factories.

“Our Modern Slavery Act statement reflects our wider approach to sustainability, but it’s much more than that,” Gary says.

“For me, it is an exciting invitation to challenge the existing predominant business model, which relies on growth for growth’s sake. It is this model that is destroying our planet and is ultimately a very uninspiring and short-sighted way of doing business. What we are proposing is a new lens through which to see business. If Kathmandu can go all the way with this idea, I think we’ll be one of the most exciting companies on the globe.”

## RIP CURL AND OBOZ ALIGN WITH KATHMANDU ON CSR

The Kathmandu team has been developing our supply chain management for many years now and is recognised by our Fair Labor Association accreditation and B Corp status as a leader in this area. We are excited to report that both Oboz and Rip Curl have decided to embrace and participate in our approach to corporate social responsibility (CSR) and supply chain improvements.



Nguyen Hoang Huy, a worker at TGI factory is provided protective gear for his safety.

## Covid-19 ethical fashion commitments

✓ WE COMMIT TO SUPPORT WORKERS’ WAGES BY HONOURING SUPPLIER COMMITMENTS.

✓ WE COMMIT TO IDENTIFY AND SUPPORT THOSE WORKERS AT GREATEST RISK.

✓ WE COMMIT TO LISTEN TO THE VOICES AND EXPERIENCE OF WORKERS.

✓ WE COMMIT TO ENSURING WORKERS’ RIGHTS AND SAFETY ARE RESPECTED.

✓ WE COMMIT TO COLLABORATE WITH OTHERS TO PROTECT VULNERABLE WORKERS.

✓ WE COMMIT TO BUILD BACK BETTER FOR WORKERS AND THE WORLD.

They will work to align with our standards, methodology and mindset – moving away from a compliance-based model to one that relies on partnership and trust.

Both brands will also work with ELEVATE as their supply chain partner.

“We all have the same goal when it comes to our respective supply chains, which is protecting and enhancing the wellbeing of workers. This also leads to a more efficient and profitable business. It is great that we can leverage the combined weight of the three brands under the Kathmandu umbrella to facilitate this,” says Gary.

## WORKER WELLBEING IN THE FACE OF COVID-19

When large companies around the world began cancelling orders due to Covid-19, it had a devastating effect on the garment industry. Millions of workers have been laid off and now

face desperate circumstances as their only means of income has ended. There are more beneficial and ethical ways to respond to the crisis, and this is what Baptist World Aid (BWA), Tearfund and the International Labor Organization (ILO) are asking of companies with a new call to action.

The decision was made to cancel the annual Ethical Fashion Report for 2020, and instead BWA and Tearfund asked companies that normally participate to outline how they are responding to Covid-19, given the impact on workers in their supply chains.

Gary says this was an opportunity for Kathmandu to reinforce the company’s mindset, approach, and values.

“Many countries have no safety net for workers who lose their jobs. When COVID 19 hit, we called our suppliers and while we did have to

delay some orders, we did not cancel any. This helped our suppliers to plan for the future while keeping workers meaningfully employed.”

In April, we sent a survey to all of our suppliers to understand more about how they have been affected.

“80% of our suppliers replied to the survey and the results showed that fewer than 5% had to lay anyone off which was very encouraging.”

1. [International Labour Organization and Walk Free Foundation \(2017\). Global Estimates of Modern Slavery: Forced Labour and Forced Marriage.](#)  
2. [Nolan & Boersma \(2019\). Addressing Modern Slavery.](#)





Nguyen Tan An, a worker at TGI factory outside of Ho Chi Minh City, Vietnam.



**COLLABORATING WITH OTHER BRANDS**

Our regular audit schedule was disrupted by Covid-19. Regular travel was disrupted and in most cases restricted. Physical audits would put both workers and auditors at risk.

We therefore decided to collaborate more closely with other brands and to share audits more openly. We also worked with our supply chain partner ELEVATE to create and use a remote assessment process that allows factories that are due for an audit to submit the relevant documents and photographs digitally for review.

Corporate Social Response-Ability Manager Gary Shaw says the remote audits are not as robust as an in-person audit. "But it's better than stopping audits completely. It shows our ongoing commitment to working with suppliers to both respect the impact of Covid-19 on their business while continuing to safeguard and improve the lives of workers."

**TRAINING THE TRAINERS**

This year, we partnered with a non-governmental organisation to run modern slavery prevention training in a Vietnamese factory. When we first approached the supplier about this opportunity, there was little interest as they did not think Vietnam had a problem with modern slavery. Tragically, on 23 October 2019, the bodies of 39 Vietnamese nationals (29 men, two boys and eight women) were found in the trailer of an articulated refrigerator truck in the United Kingdom. They are believed to have been victims of modern slavery. The supplier then contacted Kathmandu and agreed to partner with us in this trial.

Using a 'train the trainer' model, we paid a local Vietnamese NGO to educate trainers about modern slavery prevention and the circumstances that can lead to people being more susceptible to slavery. It also covered child abuse, sexual

exploitation and how to keep families and children safe from online predators.

"The supplier came back and said the training was empowering – a huge success," says Gary. "It was certainly a very cost-effective way for us to make a powerful, immediate and meaningful difference."

The next step is to look at expanding this programme to other suppliers. We were invited to meet with the Vietnamese Government to discuss this and other CSR initiatives.

"Unfortunately, the meeting was cancelled because of Covid-19, but we are hoping this will develop into a very cool example of corporate, NGO and government collaboration," Gary says.

**OUR SUPPLIERS 2020**



99  
FACTORIES KATHMANDU PARTNERS WITH



39  
SUPPLIERS KATHMANDU PARTNERS WITH



12\*  
TOTAL AUDITS



100%  
NEW SUPPLIERS SCREENED USING SOCIAL CRITERIA



62  
CORRECTIVE ACTION PLANS



10  
EXITS



680  
HOURS TRAINING STAFF

\* Due to COVID 19, we approved a lot more copy audits than normal as it was prudent to do so (35). Kathmandu completed 12 of our own audits, a smaller number than normal because of this.





Our product team sewing samples in our Christchurch office workshop, that will later be used to create our NZ Made Aotearoa T-Shirts.

Our products.

# Ngā hua.





# Why 100% sustainable cotton is not the end of the story.

“We want to move from not just taking resources to giving back resources. That’s what we’ll be exploring next.”

**MANU RASTOGI**  
HEAD OF PRODUCT INNOVATION AND PRODUCT SUSTAINABILITY

We set a target to have 100% sustainable cotton in our range by 2020, and we are proud to have hit that goal this year with the release of our Summer 2020 range.

This was an important goal because cotton production uses a large amount of water and around 25% of the world’s pesticides.

To reach our 100% sustainable cotton milestone, we used a mix of organic, recycled and Better Cotton Initiative (BCI) cotton.

Organic cotton is grown with no pesticides or chemical fertilisers. This is great, but the difficulty in shifting from traditional to organic cotton meant the transition was slow and the numbers small. Enter BCI – now the largest sustainable cotton programme in the world – creating long-term change by helping farmers grow cotton in a way that reduces stress on the environment and improves the welfare of farming communities.

BCI has trained 1.6 million cotton farmers in 21 countries on five continents.

For pure sustainability, nothing beats recycled cotton, which uses factory waste to create a new yarn with no dyeing.

“Recycled cotton – like all recycled materials – fits better into our aims to move towards a circular economy where we can work towards closing the loop,” says Kathmandu Head of Product Innovation and Product Sustainability Manu Rastogi.

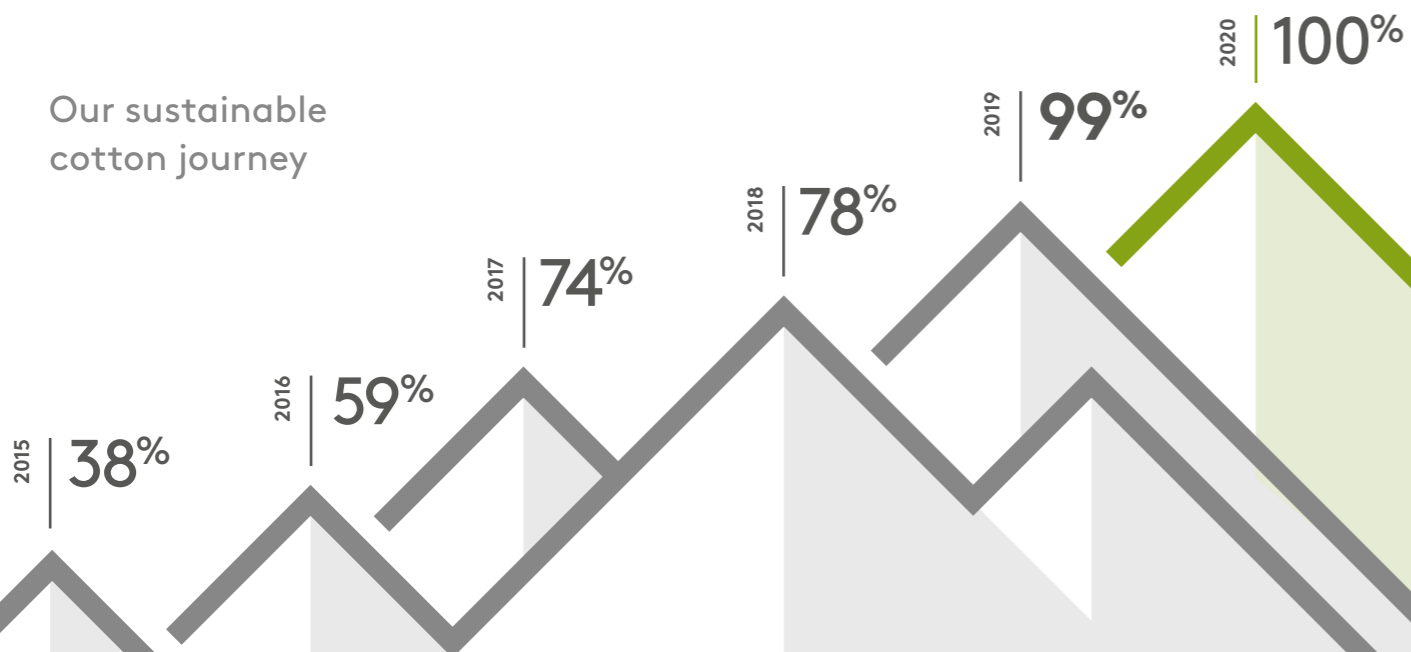
So now that we’ve reached 100%, is it time to pat ourselves on the back and relax? Definitely not, says Manu.

“Reaching 100% sustainable cotton only means we are 100% ‘less bad’. Now we need to shift from reducing our impact to doing good. The next challenge is to think about what is beyond sustainability and look at regenerative agriculture,” Manu says.

There are some exciting trials in place for regenerative cotton as well as other textiles such as leather and wool.

“We want to move from not just taking resources to giving back resources. That’s what we’ll be exploring next.”

Our sustainable cotton journey



Summit Club members Jared and Hayley wearing our sustainable cotton T-Shirts in Cuba.







# Recycled polyester range grows.

We have recycled 30,423,221 plastic bottles since we started counting in 2015. Although the total bottle count dropped this year because of Covid-19, our range of recycled polyester continues to grow.

The bottle count number comes from the growing number of products that use REPREVE recycled polyester. Manu Rastogi says there are many other recycled polyester products in the range, but the bottle count is limited to REPREVE products.

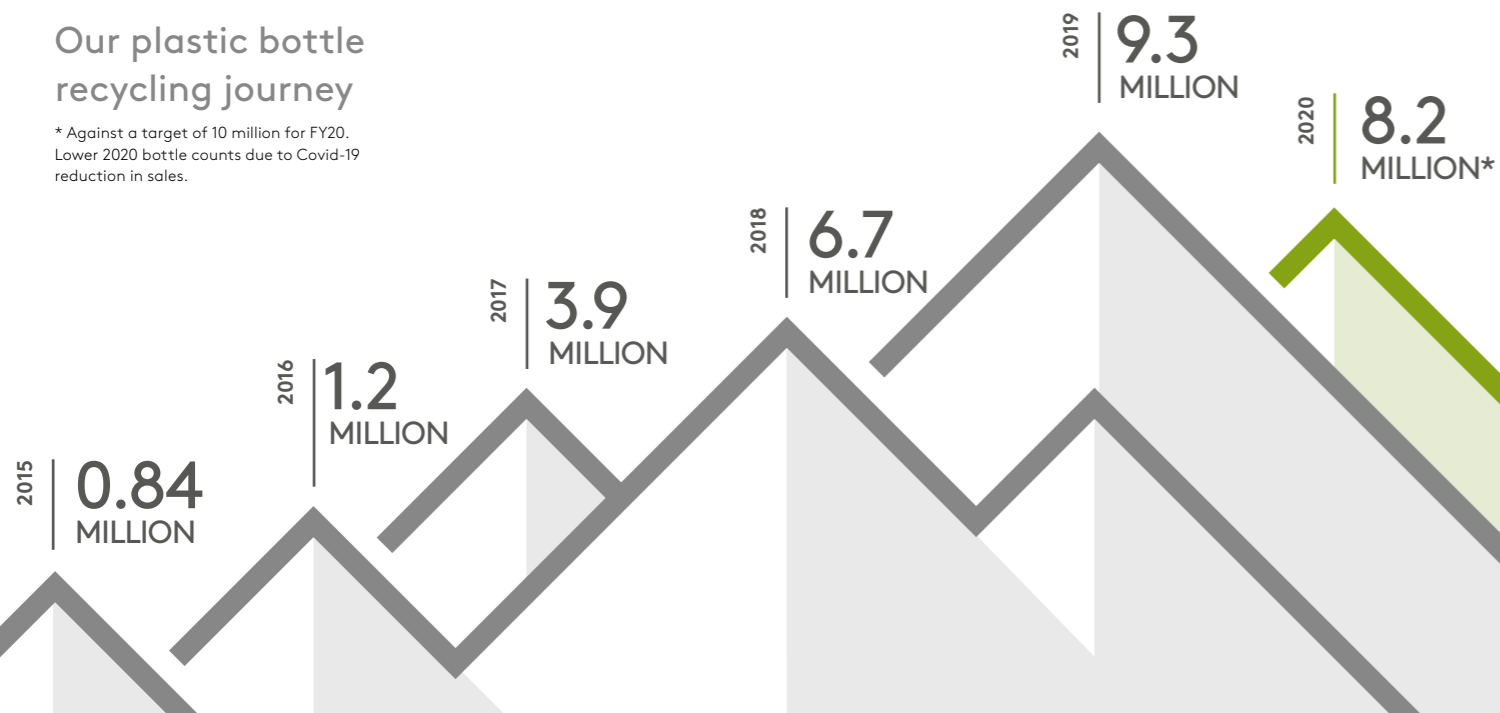
“Only REPREVE is able to accurately tell us how many plastic bottles go into each of our products, so this is the only product we are comfortable reporting on. If we could get an accurate count on other recycled polyesters, we estimate it could double our recycled bottle count.”

This year, we expanded our Heli recycled insulation range to include 10 styles. The Heli range uses a synthetic ecodown made from recycled post-consumer PET bottles, which are broken down into resin and reinvented as polyester fibres that mimic down by trapping warmth in air pockets.

This year, we also introduced the Moana day pack range, which is a blend of BCI cotton and recycled polyester made from marine and ocean plastic. The recycled yarn makers, Bionic Yarn, work with Robert F Kennedy Jr’s Waterkeeper Alliance to collect and recycle plastics on Costa Rica’s Nicoya Peninsula. The programme is a pilot for launching into other regions where there is currently no recycling infrastructure.

## Our plastic bottle recycling journey

\* Against a target of 10 million for FY20. Lower 2020 bottle counts due to Covid-19 reduction in sales.



# 30 MILLION AND COUNTING

Chloe and Jonathan collecting beach waste in our new Moana pack, made from ocean plastics.



# Saving water to save lives.

“It is something we can’t afford to take for granted any more.”

**MANU RASTOGI**  
HEAD OF PRODUCT INNOVATION AND PRODUCT SUSTAINABILITY

The United Nations says, “By saving water, we save lives.” It’s something we can’t afford to take for granted any more.

Water wastage and pollution have disastrous consequences for the environment and, in turn, for people.

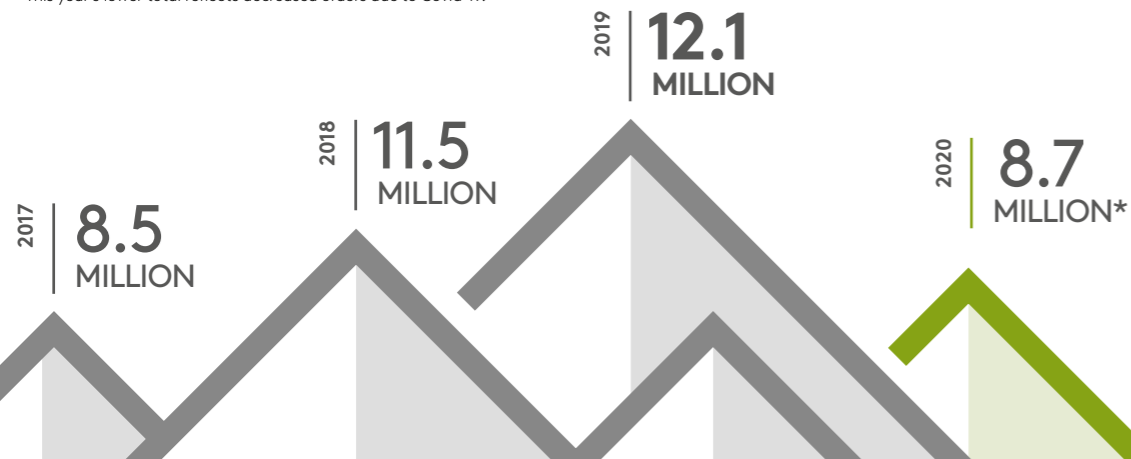
With 700 million people worldwide at risk of being displaced by intense water scarcity by 2030, the United Nations is calling for a “fundamental shift” in the way water is managed.

As Kathmandu moves to align with the UN Sustainable Development Goals, we are determined to contribute to Goal 6 – access to water and sanitation for all. By using more recycled cotton and solution-dyed polyesters, we have been able to keep moving the needle on how much water is used in our products.

We’ve saved 40 million bottles of water already.

## Water savings

\* This year’s lower total reflects decreased orders due to Covid-19.



Summit Club member Sian in Lyttelton wearing our Solus pack which is made from solution-dyed fabrics.



**40**  
MILLION  
AND COUNTING

Bottles worth of fresh water saved\*

\* This is based on 500ml bottles.



# New Zealand-made products hit home.

Wool sourced from merino sheep on a Mackenzie Country station in the South Island of New Zealand.

When we started down the path of creating a New Zealand-made range, we had no idea that a global pandemic would arrive to illustrate just how important it is to keep manufacturing industries alive at home.

The aim was to support local manufacturing and local jobs so that, if the global supply chain is disrupted, we have not got all our production offshore. Achieving this turned out to be more difficult than we anticipated with our New Zealand merino range.

Although there are plenty of merino farms in New Zealand, including right in our backyard here in Canterbury, there is no processing capability left in the country. Eventually, we found an Australian processor who could process our New Zealand merino clip into fabric before sending it back to us in Christchurch.

Here we worked with local manufacturer Albion Clothing to create our range of New Zealand-made t-shirts. Another challenge was finding a local supply for trims and packaging.

“It was a good trial programme where we were able to gain a lot of understanding and learning,” says Manu Rastogi. “Covid-19 has really driven home how much we rely on other countries to produce our products. In the future, we would like to expand this programme and use it as a place where we can experiment and innovate. We’d like to inspire other New Zealand companies to do the same. By working together, we can make even more impact.”



## GLOBAL SCOREBOARD

Results from the 2019 Textile Exchange's Corporate Fiber and Materials Benchmark Program.



#7  
LISTED IN MCI DOWN INDEX LEVEL 4  
— LEADING PERFORMANCE BAND

#7  
IN RESPONSIBLE WOOL STANDARD  
"TOP 10 BY VOLUME"



#7  
LISTED IN MCI COTTON INDEX LEVEL 4  
— LEADING PERFORMANCE BAND

#7  
IN RESPONSIBLE DOWN  
STANDARD "TOP 10 BY VOLUME"



#8  
LISTED IN MCI STRATEGY LEVEL 4  
— LEADING PERFORMANCE BAND

#8  
IN RECYCLED POLYESTER  
"TOP 10 BY VOLUME"

100%  
LISTED IN PREFERRED  
MMCF "100% UPTAKE"







# Covid offers a chance to reset.

As stores shut, Covid-19 lockdowns threatened to halt the textile industry's sustainability transformations. But Manu Rastogi has taken the pause as an opportunity to reset and look for ways to do more with less.

"Our aim is to do less but do better and take the time to refocus on where we can have the most impact," Manu says. "What Covid has highlighted for us is that these are collaborative pursuits. To get out of a global pandemic, everyone has to contribute, and the same goes for the challenges facing the textile industry. People are now realising that collaboration is really important."

With industry conferences and trade shows going digital and online, more people than ever are able to participate, Manu says.

As Kathmandu looks for ways to do more with less, we will be putting ideas like circularity and carbon neutrality on the table.

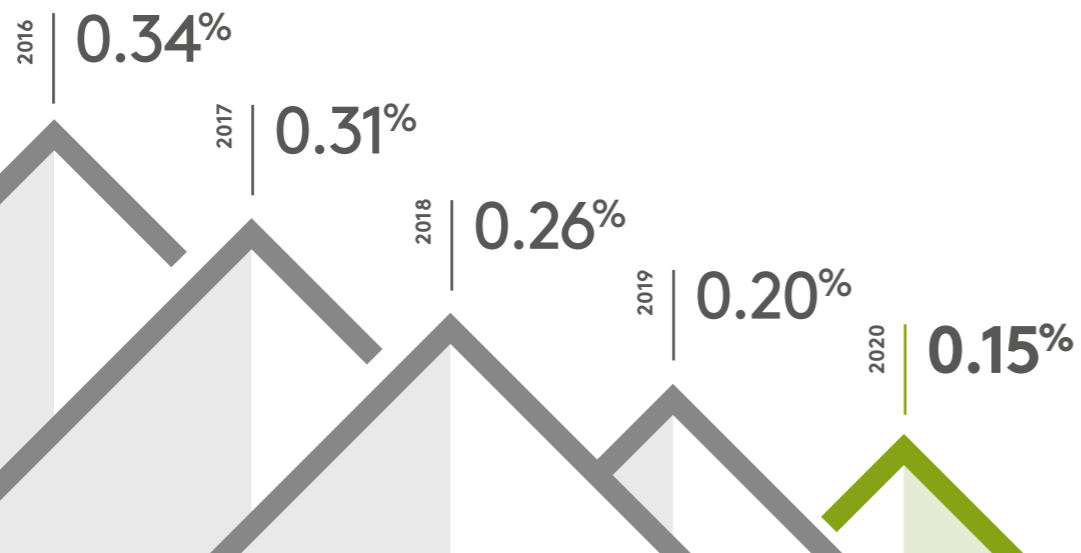
"It's time to look at what it would mean if one of our core lines became carbon neutral. We are starting slowly but with a bigger vision and looking at how we can bring our business more in line with the United Nations Sustainable Development Goals," Manu says.

"Our aim is to do less but do better and take the time to refocus on where we can have the most impact."

**MANU RASTOGI**  
HEAD OF PRODUCT INNOVATION AND PRODUCT SUSTAINABILITY

## Quality return rates

Our product return rates for quality failures are very low, but we still strive to reduce this year on year.



Sean and Michelle wearing our merino face masks in Melbourne.



CARE AND REPAIR



3,377

REPAIRS

SAFETY



1

REPORTED INCIDENT

Only one of the reported incidents were a result of non compliance with voluntary codes.





Chloe and Jonathan keeping dry while hiking in Japan.

Our footprint.

# Tā mātou tāpuwāde.





# The road to carbon zero.



Waste and carbon emissions continue to have the biggest impact on our footprint. That's why we developed an ambitious five-year plan to eliminate both. Our goal is to be net-zero carbon by 2025.

## MEASURE, MANAGE, VERIFY, MITIGATE

Our path to net-zero carbon is paved with four simple steps: measure, manage, verify and mitigate.

We are currently working on our fourth year certification of our carbon footprint by Toitū Envirocare under the carbonreduce programme.

Covid-19 helped reduce our carbon footprint this year with decreases in air travel, commuting and electricity. The challenge will be to see if we can make some of these carbon savings permanent by encouraging new ways of working.

A permanent flexible working policy that now allows staff to work from home up to two days a week could have a big impact on commuting emissions, while an increase in online meetings could save on air travel.

In 2014, we set a target of 20% reduction on our Scope 2 emissions by 2020, and since then, our store network has grown from 125 stores to 165 stores.

On reflection, we realised our target would be better focused on our intensity, as this has been where our operational improvements have come from and still allows Kathmandu to grow as a business. Our revised target is a 20% reduction on our Scope 2 emissions per store by this year based on 2012 numbers. We safely achieved this. However, the tangible improvements our business will start to achieve will come when we set science-based targets. We hope to complete this process this coming year and can set a more aggressive reduction target in line with the level of decarbonisation required to keep global temperature increase below 2°C compared to pre-industrial temperatures.

## OUR CARBON JOURNEY\*

### TOTAL SCOPE 2 EMISSIONS

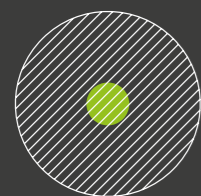
● AUS ● NZ ● UK



### SCOPE 2 AVERAGE CARBON EMISSIONS PER STORE



### SCOPE 3 TRANSPORT EMISSIONS



629 TONNES CO<sub>2</sub>e   77 TONNES OF STOCK MOVED   398 TONNES CO<sub>2</sub>e   2,396 TONNES OF STOCK MOVED

\* 2020 figures are pre-certification estimates.



Jonathan, taking a stroll down the road in Japan.



# New carbon offset programme restoring Australian outback.

We offset 1058 tonnes of carbon from our 2019 air travel emissions through the Bierbank and Lanherne Regeneration Project in Queensland.

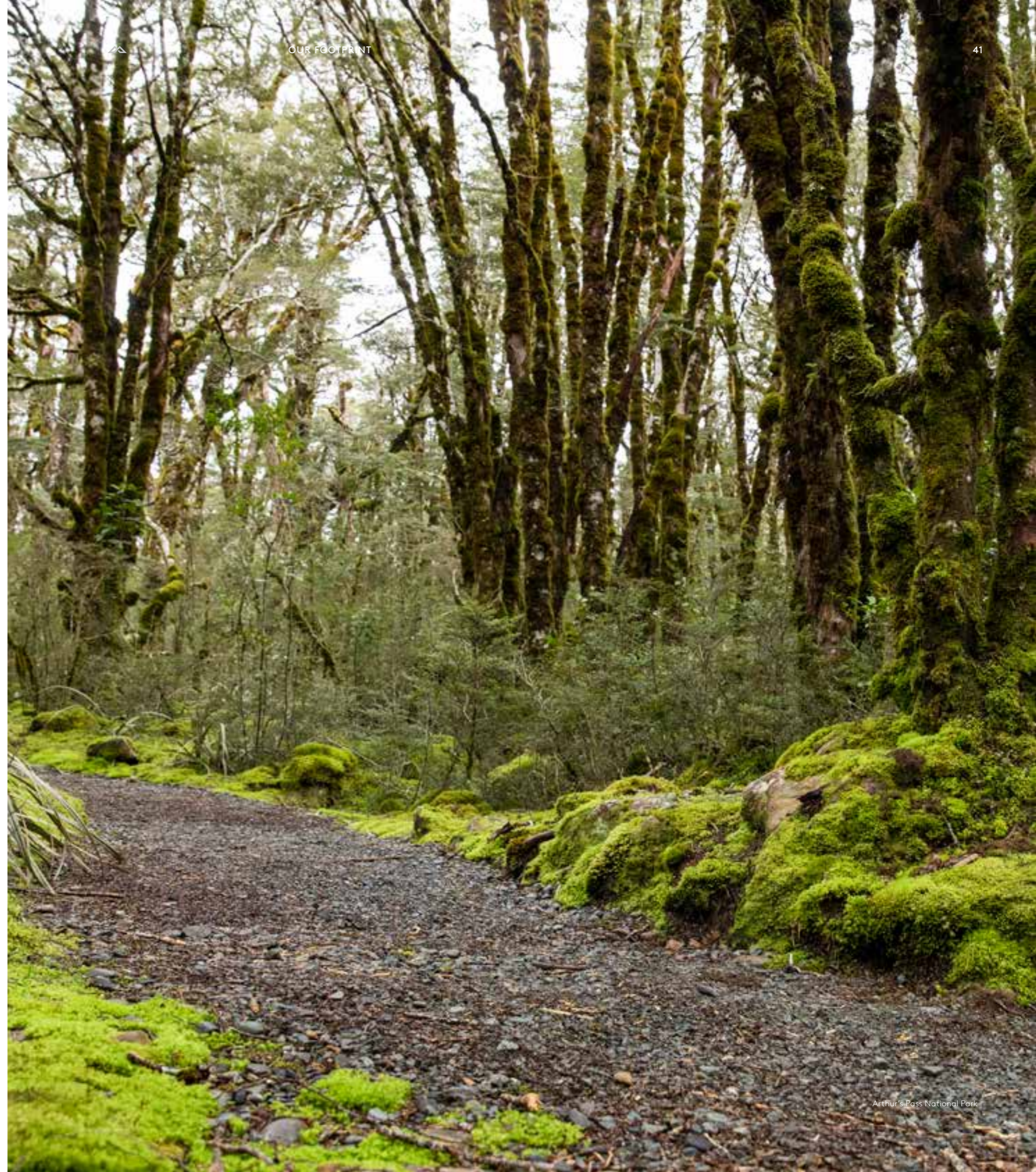
The project is part of the Australian Government's Emissions Reduction Fund and is re-establishing permanent native forest on land that had been cleared by grazing and mining. The project will provide much-needed habitat for six endangered species and 21 vulnerable species in the region. It will also create jobs and economic activity in an area where opportunities can be limited.

Kathmandu Sustainability Specialist Shannon Ball says carbon offsetting is a great way to invest in conservation. "Bush regeneration projects need money from somewhere. It's great that businesses like ours can benefit from the carbon offset they provide."

As we start setting science-based climate targets and move towards our net-zero carbon goal in 2025, Kathmandu will look to offset more of its emissions.

"Carbon offsetting is a great way to invest in conservation."

**SHANNON BALL**  
SUSTAINABILITY SPECIALIST





# First solar-powered store opens.

This year, we opened our first 100% solar-powered store in Blackburn, Victoria. This follows a solar panel installation in our Melbourne distribution centre in 2016.

Kathmandu Project Manager Dean Smith says the Blackburn store was a good solar project because it is a stand-alone store.

"Because many stores are located in large shopping centres, it won't be possible for solar power to be rolled out across the entire store network, but we intend to assess which of our stores can be adapted for solar power in the future to help reach our net-zero carbon target by 2025."

The system has a solar battery generator that's able to deliver 100% of the store's annual energy or up to 92,000 kilowatt-hours. The system will eliminate up to 124 tonnes of carbon dioxide emissions overall.

The array will use the battery on overcast days and for backup power. A live feed of the store's solar activities will be displayed on a monitor within the store, allowing customers to view power generation versus usage.

The system will eliminate up to 124 tonnes of carbon dioxide emissions overall.





# Reducing the waste we pass on to consumers.

“It acknowledges that our traditional take, make and waste approach is not going to sustain our communities in the future.”

**OUR PACKAGING FUTURE**  
AUSTRALIAN PACKAGING COVENANT ORGANISATION

As our waste journey continues, we’re turning our mind to the waste we send home with our customers and our goal to have 100% sustainable packaging by 2025.

Sometimes, it’s little things that add up to make a big difference. Our store staff started asking a simple question: “Do you need a bag?” This got customers to pause and think, resulting in 6% fewer bags used per transaction compared to last year.

We’ve set up a working group to look at a more sustainable alternative to the plastic delivery satchels we use to deliver online orders.

As members of the Australian Packaging Covenant Organisation (APCO), we subscribe to their vision for a future where packaging is circular.

“This vision recognises that our planet has finite resources,” APCO says in its 2020 report our packaging future. “It acknowledges that our traditional take, make and waste approach is not going to sustain our communities in the future.”

## PROJECT POLYBAG COMING BACK FROM DISRUPTION

Our journey to zero waste continues with a new signpost in place – a zero-waste target for 2020. Cardboard and plastic recycling is the cornerstone of our zero waste project, which took a big hit in New Zealand when China shut its doors to offshore plastic recycling.

We went from 100% of plastic polybags recycled in all New Zealand stores in 2018 to just over half our stores last year. Now we are expanding our partnership with New Zealand-based plastics recyclers who are turning soft plastics into fence

posts, plastic matting, buckets and other products. Three more stores were added to the Soft Plastics Recycling Scheme this year.

Kathmandu Sustainability Specialist Shannon Ball says, “A key project is getting better information on which of our stores have good recycling options and which don’t. We are aiming to process as much recycling locally as we can, and we are also looking for ways to reduce the size of our polybags and introduce more recycled content into our packaging too.”

## TENT COLLECTORS HELP REFUGEES

Some of our returned tents have found a new home at refugee camps, thanks to the work of Hastings-based non-profit Tent Collectors.

The organisation saves tents from landfill and collects them from festivals to be redeployed to Syrian refugee camps in Europe, including the Greek island of Samos, which currently houses 5,900 people in a military camp built for 600. Tents that were returned by customers and couldn’t be resold as seconds were donated to Tent Collectors.

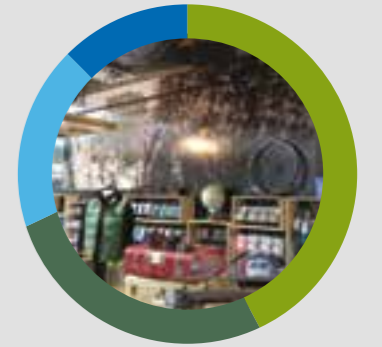
## CHRISTCHURCH STORE WINS RED AWARD FOR SUSTAINABILITY

Our new flagship store in Christchurch – built with our focus on sustainable and reusable materials – was recognised with an award for sustainability by the New Zealand Retail Interiors Association. The RED awards are the country’s premier retail design awards, and the sustainability category judges fit-outs on materials, equipment and services.



New Moana packs made from ocean plastics.

## STORE WASTE BREAKDOWN



**43%** paper/  
cardboard

**15%** polybags and  
shrink wrap

**18%** co-mingled  
recycling

**24%** non-recycled  
material

Kathmandu Store Design and Development Manager Abigail Wasmer says the approach to store design is about continuous improvement. “Sustainable store design is not something you achieve and tick a box and are done with. It’s a constant process of getting better. Every year, we introduce new elements and new practices.”

A big focus has been on selecting natural and sustainable materials, shifting from particleboard to solid and plywood timbers that can be recycled and reused.

Abigail says the approach is also about bringing suppliers and contractors on the journey with us. “In Melbourne, our shopfitters have an entirely solar-powered factory, and we give contractors reusable coffee cups and water bottles so that they can reduce their waste. We’ve also put water-filling stations in stores so that anyone can come in and refill a bottle.

Sometimes, little things can make a big difference.”

This year, we switched 32 new and refurbished stores to LED lighting, which has helped us towards our goal of becoming net-zero carbon by 2025.

“Sustainable store design is not something you achieve and tick a box and are done with. It’s a constant process of getting better. Every year, we introduce new elements and new practices.”

**ABIGAIL WASMER**  
STORE DESIGN AND  
DEVELOPMENT MANAGER





Molly Spark competing in her first Kathmandu Coast to Coast race.

Our community.

# Tā mātou hāpori.



# Positively changing lives.

Last year, we announced our new social impact goal - intending to positively change 100,000 lives by supporting our workers in our supply chain, assisting our partners to grow their education programmes in Nepal and providing adventure opportunities to our Summit Club members.

This year, although many events we planned were interrupted by Covid-19, we've still made progress on this goal.

## CELEBRATING DIVERSITY

We wrapped our International Women's Day campaign and our Pride campaign into a project we've code-named Positive Days of Impact.

This supports our goal to be best for people and aligns with our new social impact strategy.

For International Women's Day (IWD), celebrated annually on 8 March, we partnered with the charity ActionAid, which supports women across the globe to break the cycle of poverty and to live free from violence. We asked customers to join us with in-store fundraising and donated 1% of our sales on IWD to ActionAid.

We also put on two fundraising events in Sydney and Auckland. These 'micro-adventures' took women into the outdoors with experienced female guides.

As part of the campaign, we profiled three inspiring women from our community who are working towards gender equality.

## PRIDE AT KATHMANDU

We believe adventure is for everyone, regardless of what part of the rainbow you hail from. We celebrated Pride from January to March by

raising more than \$10,000 for charities that support and celebrate rainbow youth.

The Minus18 Foundation is Australia's youth-driven charity for LGBTQIA+ youth. For over 21 years, Minus18 has been running high-impact LGBTQIA+ events, workshops and campaigns, creating peer support, safe spaces and inclusive environments across Australia.

Qtopia is a social service for LGBTQIA+ young people, their whānau and their communities in Canterbury. Using education, advocacy, support and celebration, Qtopia aims to create positive and lasting social change.

We encouraged customers to donate online or in store, and we matched donations. We also organised a fundraising 'micro-adventure' event in Sydney.

## PARTICIPATION

Participation means going beyond learning about our differences to living and experiencing them. This year, we looked to take a more active role in our community. We partnered with Māori language immersion school Te Whānau Tahī to connect students learning about the outdoors with our teams and share our experience of the outdoors.

We further developed relationships with rainbow youth organisations Qtopia and Minus18 who support our growing awareness and understanding while we support them in their objectives.

Our ongoing commitment is to support young people in outdoor adventures.



Pride campaign was communicated online and in store.

## TOTAL FUNDS DONATED

TOTAL DONATED TO

MINUS18 \$5,684.13

TOTAL DONATED TO

QTOPIA \$6,245.43

TOTAL DONATED TO

ACTIONAID \$16,468





# Products that give back.

We love creating products that give back to the causes dear to our hearts. Our Nepalese-made Christmas ornament is inspired by the Himalayan red panda. The pandas were given to customers who made a \$10 donation to the Australian Himalayan Foundation and New Zealand Himalayan Trust and 100% of the donations were passed on to the charities. This year, we raised \$89,586 with our Christmas giving programme.

## ARTIST SERIES T-SHIRT

Our latest Artist series T-Shirt was created by Ash 'Chimp' Sisson, a New Zealand street artist known for his vibrant murals.

Armed with a sketchbook and Kathmandu gear, Chimp took part in Kathmandu's Nepal Treks to Everest Base Camp to draw inspiration from the stunning Himalayas – a once in a lifetime trip that he found eye-opening.

His design illustrates the story of a journey between two cultures – Nepal and New Zealand – through the ambitious upward gaze of an adventurous woman.

\$5 from the purchase of every limited edition tee goes directly to the Australian Himalayan Foundation or the Himalayan Trust of New Zealand.

## KHUSI BEANIE

Khusi means 'happy' in Nepalese. Our Khusi Beanie reflects the support that this product provides for traditional Nepalese knitters.

For 31-year-old Sabina, who experienced regular headaches, knitting is both a livelihood and a support unit.

"I feel a strong connection with the other knitters. We work as friends and this helps us enjoy our work," Sabina says.

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

This was the fourth year that the Khusi Beanie has been part of our range.

"I feel independent and proud of myself."

## SABINA

TRADITIONAL NEPALESE KNITTER

## AUSTRALIAN BUSHFIRE SUPPORT

Last summer was one of the worst on record for Australian bushfires. We launched an appeal to raise funds for the Australian Red Cross Disaster Relief and Recovery Fund.

We promised to match funds donated by our customers up to \$50,000. Our customers rose to the challenge and donated just over \$60,000, which saw more than \$110,000 donated in total.

## LIZARD TEE APPEAL

Our vintage Lizard tee made a comeback this year to join in the fight for Australian native species impacted by bushfires. All profits from the limited edition tee were donated to the work done by Greening Australia to conserve and restore wildlife habitat. Sales continue, and \$4,000 has been raised so far.



The panda that gives back.



## FUNDRAISING FOR OUR COMMUNITIES

### KHUSI BEANIE



23,332

TOTAL UNITS SOLD

### XMAS GIVING



\$89,586

FROM CUSTOMERS

### ARTISTS TEE



\$33,940

AMOUNT RAISED

### AUSTRALIAN BUSHFIRES



\$110,053

AMOUNT RAISED

Sarah keeping cosy in our Khusi Beanie made in Nepal.







Competitors encounter multiple river crossings as part of the annual Kathmandu Coast to Coast race.



# Getting our community into the outdoors.

Part of our best for people five-year goal is about inspiring and equipping people to discover their potential through education, personal development and wellbeing. We committed to giving 10,000 Summit Club members access to outdoor adventure and volunteering opportunities with free events.

## ADVENTURE SERIES

Although Covid-19 meant that only three of our 16 adventure series events went ahead, we did connect with 52 participants in this guided hiking programme.

## RUN CLUB

Run Club is a weekly free trail running programme for Summit Club

members of all levels. Each Run Club session offers professional coaching focusing on different skills, then puts trail running techniques into practice all over the city. Last year, we held more than 80 running sessions for 2629 participants across Christchurch, Adelaide and Melbourne.

## SUMMIT CHALLENGE

We challenged Summit Club members to climb the height of Everest to raise money for our partner charities that support Nepal. The New Zealand event, Summit Challenge, had 220 participants who raised \$39,295 for the New Zealand Himalayan Foundation. The Challenge included three group hikes held in Wellington, Christchurch and Auckland.

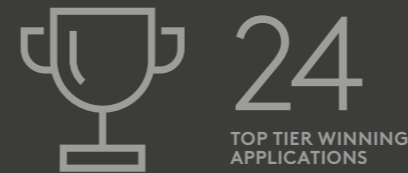
## SUMMIT CLUB VOLUNTEERING

We worked with charity partner Tangaroa Blue to host six volunteering events. Across all six events, 318 participants collected 672kg of rubbish.

## KATHMANDU COAST TO COAST

We supported the Coast to Coast Rangers again this year in their work to give young people opportunities to participate in the Kathmandu Coast to Coast race. Run by the Aspiring Youth Development Trust, the Rangers programme gives kids exposure to outdoor activities as well as developing lifelong skills and introducing them to sustainable knowledge and values.

## ADVENTURE SPONSORSHIP BY NUMBERS



### WINNERS VISITED:

- PHILIPPINES
- NEPAL
- INDIA
- BHUTAN
- GREENLAND
- AUSTRALIA (COFFS HARBOUR AND TASMANIA)
- PERU
- NEW ZEALAND
- NORWAY
- ENGLAND
- TANZANIA



# Adventure sponsorship

In 2007, Bronwyn Griffin's life was suddenly and irreversibly changed when her husband and the father of her children was taken by a sudden fatal heart attack.

"At the time, I was pregnant with our third child, our middle child was nine months old and our oldest was just two years old. Since Nick's death, we have forged on together to live an active and healthy lifestyle with a shared passion for mountain biking."

This January, Bronwyn and her kids (now 11, 12 and 13) decided to take on the Overland Track (including Cradle Mountain) in Tasmania. With pack loads varying from 15kg to 24kg, the four spent seven days in the mountains and raised \$5,000 for heart research.

"The weather on the mountains is notoriously unpredictable, and we were met with a full spectrum of weather – crushing heat, pouring rain, snowfall and strong winds that almost swept us off our feet."

Despite some challenging times, Bronwyn says the beauty of the track and their fundraising efforts kept their spirits up.

"We saw so many animals and plants that were just beaming with vitality and life we couldn't help fall in love with the Cradle Valley," she says. "The slow pace allows you to soak up the vibrancy, diversity and complexity of the environments you pass through, and I loved the places that conversations go when you have so much uninterrupted time together."

Bronwyn says the trip finished with a rush of accomplishment for doing it together.

"Our love for hiking together is now firmly embedded, and we can't wait to plan our next adventure together. We'll continue to put our efforts towards the prevention of early cardiac death, which is an issue close to our hearts."







AERRE MI

# Tämgä. Rangä.

Our team.

Our visual merchandising team at our new flagship store opening in Christchurch.



# Our values shine through our people in challenging times.

## He toka tū moana

PEOPLE WHO ARE STEADFAST AND NOT EASILY SWAYED BY STRONG COMPETITION

Like most businesses around the world, the Covid-19 pandemic forced us to do things differently. We have seen our core values come through in the way our teams responded to a year of change and uncertainty.

We witnessed resourcefulness as our people adapted with agility to new ways of working in the absence of travel and the closure of office spaces and embraced new ways of collaborating and communicating — from Facebook Workplace updates to utilising available technology for collaboration and communication.

Openness and directness were essential for our team to stay connected and informed and safe and as discussions about personal wellbeing became more crucial than ever.

More than anything, the passion and determination of our teams drove them to find new ways to deliver results and keep our business operating.

These changes led to the introduction of a permanent flexible working policy that allows support staff to manage their workload and personal requirements through flexibility in work time and location, with the ability to work 40% of their hours from home for many team members.

We have also flipped our approach to performance management on its head and supplemented annual reviews (look back) with regular ongoing coaching (look forward) to drive development and results.

This year has shown our teams to be resilient and focused on doing their best under unfamiliar circumstances. Our people have been the driving force behind the positive change that makes us stronger as a business.

### OUR JOURNEY TO INCLUSION

Kathmandu is an incredibly diverse workplace and each team member brings their own experience, values and identity to work with them each day.

This diversity is core to our business, and our goal is to leverage this strength and strive to be a truly inclusive organisation where everyone has a place.

We have committed to this journey to inclusion, both within our brand and beyond, as we want to bring our industry and community so that everybody we reach feels seen, heard and valued.

Our diversity programme has three objectives: education, participation and celebration.

### EDUCATION

We strive to educate ourselves but also look at how we can influence our wider communities. We create opportunities to learn from others both in and out of our business. This year, we have grown our whānau by developing new relationships in our wider communities.

These included Bros for Change, who shared Māori culture, and Anton Matthews, who led group classes on cultural awareness and te reo Māori.

### CELEBRATION

It's not enough to simply accept our difference so we believe they should be embraced and celebrated.

One way we celebrated our diverse workforce was with a diversity video featuring four team members sharing their stories and experiences of same-sex families, gender transition, spina bifida, use of a wheelchair and autism. The message behind our this is me video was that, while we're all different, we're all the same too.

In March, we achieved our Rainbow Tick a celebration for 17% of our workforce that identifies as LGBTQIA+.

We celebrated women in our business through participation in events such as the M2 Journey to Excellence, and we celebrated our New Zealand cultural heritage across the year.

We have challenged ourselves to celebrate diversity more in our brand and marketing content from now on. Our future diversity strategy includes a celebration of the faiths, cultures and other differences that make our people who they are.

The journey continues.



Sharmali exploring the native bush on the Paparua Trail in New Zealand.



## OUR DIVERSE TEAM (BY THE NUMBERS)

53

DIFFERENT  
NATIONALITIES

65

LANGUAGES

25%

SPEAK MORE THAN  
ONE LANGUAGE

Ka ora pea i a koe,  
ka ora koe i a au

IN ANY GROUP ENTERPRISE,  
THE PERFORMANCE OF EACH  
MEMBER IS KEY TO ITS SUCCESS

Sharmali exploring the native  
bush on the Paparoa Trail in  
New Zealand.

# Measuring the diversity in our diversity.

In November, we conducted a team diversity survey to get a better picture of what our workforce looks like. As expected, we found a diversity of nationalities, ethnicities, faiths, cultures and abilities and were able to form a picture of our team.

There is a lot of diversity in our diversity. Our teams encompass the cultures, faith, values and personal characteristics of the world we live in.

We discovered that 11% of respondents identified themselves as having a health issue (including mental health) or disability that prevents them from doing activities that others do. This broad definition of 'disability' gives us a new perspective on supporting our teams.

We learned that about 25% of our team speak more than one language and that after English, Spanish and French are the most common languages spoken by our team members.

The data collected will help us to make sure that everyone in our workplace has representation and a voice and that our diversity activities are aligned with our people.

The third-party anonymous survey had a high response rate with 42% of team members completing the survey, well above the industry benchmark standard of 30%.

### KATHMANDU ACHIEVES THE RAINBOW TICK!

The Rainbow Tick is a certification that helps organisations ensure they are safe and welcoming workplaces for rainbow team members.

To achieve the Rainbow Tick, Kathmandu was found to have fully achieved success in five areas: strategy and policy, employee engagement and organisational support, external engagement, organisational development, and monitoring.

The Rainbow Tick is a New Zealand-based certification. We believe this certification reflects our business across all locations, while we work towards achieving a ranking in the Australian Workplace Equality Index.

### SUPPORTING WOMEN IN OUR BUSINESS

This year, we looked for new ways to support and develop women in our business to thrive in their roles and as leaders. Women from across the business attended conferences and forums to network with and learn from other successful women.

Our teams can also now look to even more internal role models as more women joined the executive leadership team, bringing the number of female senior leaders to five this year.

The next step is the development of a formal policy and framework to support women in their career development at Kathmandu.

### GEARING UP ON CAPABILITY

We took a more strategic approach to capability this year launching our Gear Up Curriculum to support the development of the core skills and competencies that allow our teams to be successful. The curriculum was designed to support our Next Level business strategy, providing key competencies to drive our business success, including critical thinking, influence skills and change leadership.

Individuals work with their managers to identify development objectives and create an individual develop plan from the curriculum and annual training calendar. Gear Up means learning and development can be planned strategically and resources used more effectively to the benefit of our teams and the business.

## Whakamanahia te wāhine

EMPOWER WOMEN



# Next level in retail development.

For our retail teams, we continue to develop accessible and relevant content delivered through our online learning platform Kampus. In addition to core operational and product knowledge content, we have diversified to include a wider range of professional and personal development content.

We extended eligibility for management courses across levels of management to create a more visible learning pathway for 3ICs and ASMs to develop into the next roles in their career.

To develop expertise in our teams, we further extended our Footwear Guide Certification programme, certifying a further 50 Footwear Guides this year, and partnered with Oboz to create online content for our wider teams.

In addition to Kampus, workshops and in-store training, we utilised Facebook Workplace to deliver accessible and effective information (sharper, smarter, faster) and facilitate knowledge sharing within teams to drive a culture of learning.

Even when stood down, our teams sought out development opportunities, and retail teams took the opportunity to upskill themselves and prepare to welcome our customers back with confidence and exceptional service when stores reopened.

During the initial closure alone, our teams completed 7,002 courses on Kampus and took the opportunity for personal growth as well, as evidenced by the courses they completed.

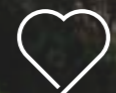
## TOP 5 COURSES OVERALL



RAINBOW TICK  
INCLUSION AT WORK



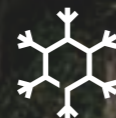
OBOZ 2020



DEALING WITH STRESS  
AND ANXIETY



COVID-19:  
WHAT YOU NEED TO KNOW



WINTER READY 2020

# The world has changed and so has Kathmandu.

**IT IS OUR PEOPLE THAT WILL CONTINUE TO DRIVE KATHMANDU'S SUCCESS AS A BRAND AND WILL DO SO MORE STRONGLY DUE TO THE AGILITY, RESILIENCE, AND SOLUTION FOCUS WE HAVE ALL DEVELOPED.**

Tania Griffiths started as casual labour in Kathmandu's Melbourne distribution centre back in 2014. Today, she is a warehouse system and continuous improvement analyst overseeing the implementation of new WMS systems, creating standard operating procedures and process maps and training casual and full-time staff.

Looking back, Tania puts her success down to hard work and an eagerness to learn.

"Upon joining Kathmandu, my main focus was to work super, super hard. I wasn't aware of what my journey was going to hold however, I am a very hard worker, and I take pride in my work. If I'm doing a task, I want to know the ins and outs. If there's an issue, I want to investigate it and find out what went wrong and how I can fix it."

As a casual worker, Tania says she asked regularly if there were full-time positions available. "Eventually, I was offered a full-time position. I explored and gained so much knowledge from other areas of the warehouse — from picking and packing to e-commerce and dispatch."

This well-rounded base of experience set her up to become a Superuser on our new and first Australian-built Crossbelt Automated Sortation System when the distribution centre moved into its new 5-star Green Star rated building in 2015.

At the time, Tania remembers, "I didn't have a lot of confidence talking to groups of people, managers nor staff. It was hard for me to stand up and talk freely and express if I had an improvement idea or to complete training needs. Daily setup meetings were very nerve-wracking."

Tania's confidence got a boost when she joined the Kathmandu TrekBud Mentor programme, where her mentorship was complemented with online learning. Tania's mentor was Nova Knight.

I think she's progressed amazingly," Nova says. "She has gone on to deliver training workshops to the whole of the distribution centre and put together comprehensive engaging training material. Her confidence to execute and stand up and deliver was awesome to see."

"I benefited a lot from those modules," Tania says. "It was really good for highlighting the areas I wasn't so confident around. We learned about presenting to team members and the different ways people have of learning and tailoring their needs by incorporating different learning styles. I became more confident, knowledgeable and accommodating in myself and others. It was a super-exciting journey to work with Nova. She's become a great friend."

In February this year, Tania completed a course on empowering women in the workplace from Swinburne University. "The course looked at being bold at work and having an influence in the workforce."

While the distribution centre has a large percentage of males in the office space, Tania says she's never felt that was a barrier and has only helped her gain confidence in her leadership.

"I feel very supported. I'm very thankful to everyone who's supported me through my journey. My bosses are amazing, and Kathmandu is such a great company to be a part of," Tania says.

## He ao hurihuri

*IT'S AN EVER-CHANGING WORLD*



Tania Griffiths, warehouse system and continuous improvement analyst.





**Obōz**<sup>®</sup>  
F O O T W E A R





# Our journey.

Aerial view of Obóz's neighborhood mountain range, the Bridgers.



# Our journey.

Oboz President Amy Beck charts the company's sustainability journey so far.

Oboz was born in 2008 in Bozeman, Montana. From the very beginning, the company was built with the intention of doing the right thing for the planet and for the consumer. We've been planting trees and offsetting carbon emissions for 12 years – long before those kinds of things became fashionable.

But our good intentions have not necessarily translated into a solid sustainability plan, so as we mature as a brand, we're now in a phase of crafting a clearer way for our journey – one that focuses on impact over optics.

To guide us on our journey, we've created a brand compass built on our long-held mantra – true to the trail. This compass will guide everything we do at Oboz – from building great footwear to how we give back to our community and the way we treat each other and the planet. It's a mindset that grounds us in what's most important: doing things the right way, having fun and exploring our path in life. Any other way just wouldn't be true to the trail.

## TRUE TO OUR PEOPLE

This point of the compass reflects our commitment to all the people who our brand touches – from our employees to our retailers and suppliers. By joining the Kathmandu family, we are committing to Fair Labor Association and B Corp assessments. We'll learn from all the work done at Kathmandu to improve the supply chain.

## TRUE TO THE EXPERIENCE

We believe in the power of the outdoors and that people will live a better life if they can experience nature, so our work in this point of the compass is reflected in our support for conservation partners and our determination to minimise our own impacts on the planet.

## TRUE TO YOUR FOOT

Making sure our products stand up to our commitment is the core of this compass point. For Oboz, sustainability is durability. Delivering great fit and functionality also sits at this point on the compass.

## TRUE TO OUR COMMUNITY

Giving people opportunities to access the outdoors is a key part of this compass point. Our community programme supports adventure, education and access to wild places. It supports the people and the place that we are from.

There's no doubt that our company is inhabited by people passionate about sustainability, and this year, we're working to build a strategy around that passion. We're creating a 'green team' that will have members from every department, and we have started work on a three-year sustainability plan for Oboz, which will include goals we can measure our progress against.

We will lean on the knowledge of our parent company to accelerate progress on this important journey. It's one we're all excited to undertake.

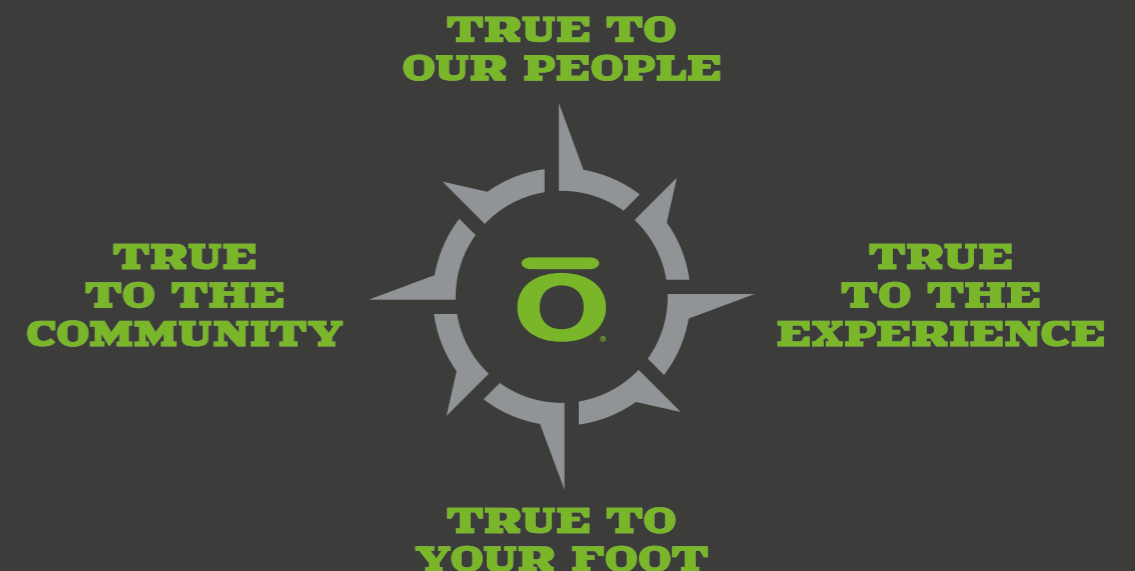


AMY BECK  
PRESIDENT, OBOZ



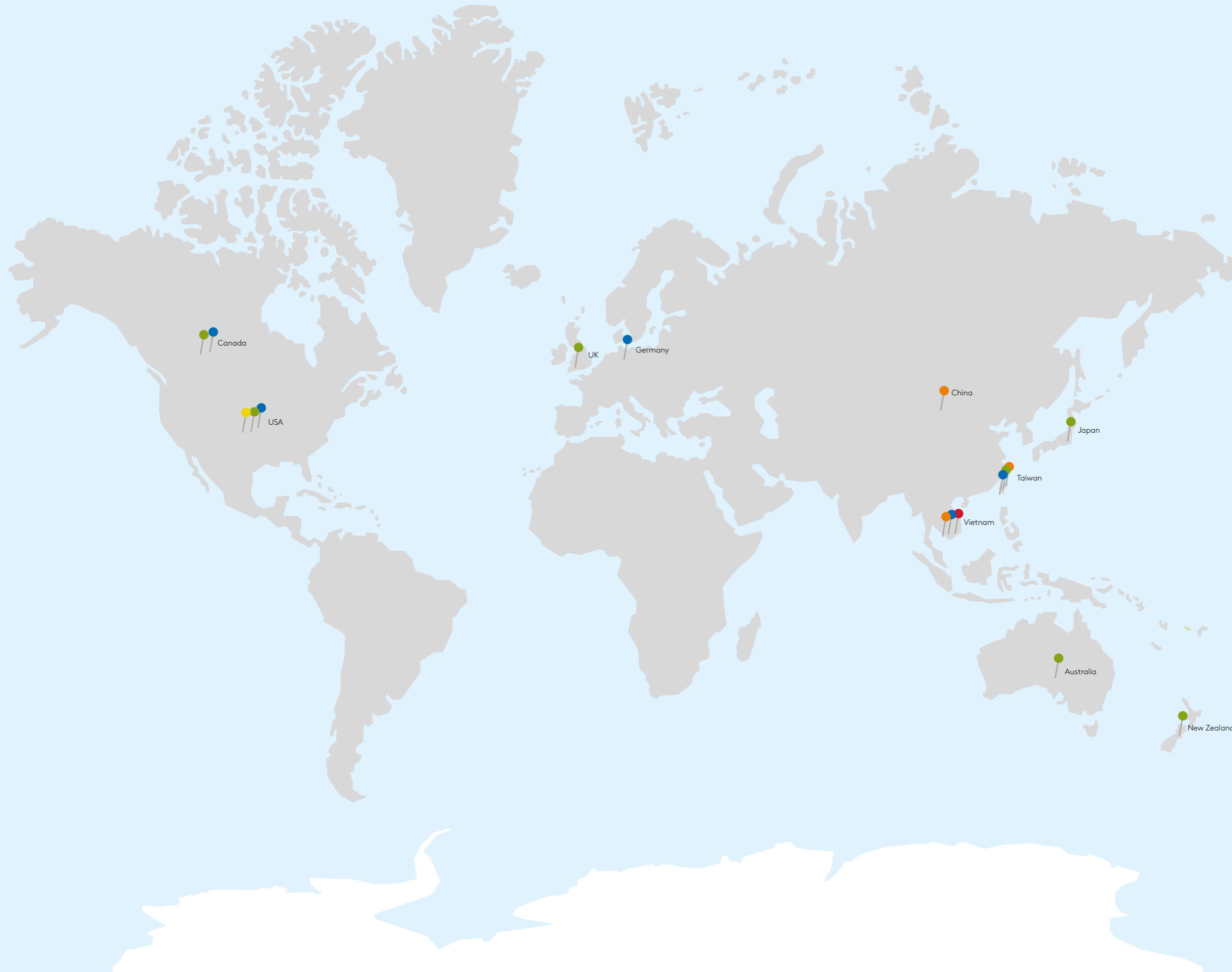
Jackie Nourse, Bozeman resident, founder of Traveling Jackie, and friend of Oboz, looks out from atop the M Trail.

## TRUE TO THE TRAIL COMPASS





# Our world.



## KEY



**FACTORIES**

**1 TOTAL**

Vietnam – 3



**MATERIALS SOURCING**

China, Taiwan, Vietnam



**OPERATIONS**

United States of America  
New Zealand, Australia  
United Kingdom, Taiwan  
Canada, Japan



**COMMUNITY SPONSORSHIPS**

120 vulnerable teens provided with adventure-based mentorship experiences.



**5 NATIONALITIES ACROSS OUR TEAM**

Canada, United States of America, Germany, Vietnam, Taiwan



# A little help from our friends.



## CONSERVATION ALLIANCE

The Conservation Alliance harnesses the collective power of business and outdoor communities to fund and advocate for the protection of North America's wild places. Our CEO Amy Beck sits on the board, and we provide financial support.



## BLOOM

Bloom transforms green water into clean water to make performance foams. Bloom foam is created by replacing a percentage of plastic polymer in conventional EVA with repurposed algae biomass harvested from freshwater sources. Oboz incorporates Bloom's foam into the footbeds of our Bozeman and Sypes collections.



## OIA

We participate in OIA's Sustainability Working Group – collaborative platform of more than 300 outdoor brands and suppliers working together to identify and implement better business practices. Through them, we plant a tree for every shoe sold.



## IN SOLIDARITY

In Solidarity brings the outdoor industry together to build a more inclusive future.



## REPREVE

REPREVE is the world's number one brand of recycled performance fibre. It's high-quality fibres are made from 100% recycled materials, including post-consumer plastic bottles and pre-consumer waste. They are also certified and traceable. Oboz incorporates REPREVE fibres into the laces of our Bozeman and Sypes collections.



## LEATHER WORKING GROUP

The Leather Working Group is a not-for-profit membership organisation for stakeholders across the leather supply chain. LWG aims to promote sustainable business practices and create alignment on environmental priorities throughout our membership and the industry as a whole.



## TREES FOR THE FUTURE

Trees for the Future has a direct impact on the Earth and lives of the people who need it most by helping plant trees and giving families the ability to transition from unsustainable farming techniques to a forest garden system. We participate in OIA's Trade Advisory Council, which reviews U.S. trade policy, relevant federal legislation and international trade negotiations, develops federal trade policy that may affect OIA membership and recommends policy positions to OIA government affairs staff and OIA leadership.



## CAMBER

Camber Outdoors is a national non-profit supporting workplace inclusion, equity, and diversity in the active-outdoor industries. We are a Corporate Partner for Camber.





# Our suppliers.

An assembly of custom lasts within an Oboz factory.



# True to our people.

Oboz President Amy Beck knows that every hand that creates a pair of Oboz shoes belongs to someone in our global supply chain.

"In this context," she says, "being true to the trail means an ongoing commitment to their welfare and wellbeing as members of the wider Oboz family and brand. We work collaboratively to protect their rights, promote their ongoing development and positively impact their lives so they can also live true to the trail."

At Oboz, we have a very narrow supply chain, as Director of Operations Chris Rischke explains.

"We have three factory partners. All of them are in Vietnam. The factory that makes some of our most iconic styles we've been working with for 10 years now. Building long-term relationships with suppliers is important to us."

Our second-largest supplier is one of the top footwear manufacturers in the world. It was one of the first to become certified by the Fair Labor Association (FLA). "They've done phenomenal work, both on the product side and the social side," Chris says. "They have a full training programme to elevate staff into management roles, and they have a parental leave programme."

As in other parts of our business, we've used the expertise of our parent company to leapfrog our supply chain work. Like Kathmandu, we'll be using ELEVATE supply chain consultants to conduct factory audits, and we've worked to identify policy gaps around responsible purchasing, child labour and forced labour.

"We've always practised responsible purchasing and fair labour, but we hadn't written them into formal policies," says Chris. "Formalising these policies is part of our work to obtain FLA certification and B Corp certification as we work to align with Kathmandu."

We've also started training staff on these policies. "We've got a small team, but we're making sure we educate the entire team on responsible purchasing and all policies – particularly the ones who travel to our factories as we want them to be on the lookout for any breaches."

The next step for Oboz is to create a three-year strategy for managing human rights in our supply chain. This will be guided by our mission to become FLA accredited and to undertake the B Corp assessment, but we are also looking for ways to apply our true to the trail philosophy to our factory partners and the communities they operate in.

"True to the trail is an idea that accepts that everyone has their own trail – and that includes our suppliers and the people in our supply chain. In the coming years, we'd like to understand more about what their trail looks like – as a business and as a community," Chris says.



A highly skilled laster pulls the shoe's upper leather over the lasting board.

Oboz

OUR SUPPLIERS

## NRI

This year, we switched our distribution partner to a California company called NRI.

"NRI feels like a like-minded partner," says Director of Operations Chris Rischke. "They give back to their community and support their staff in further education, which is fairly uncommon in the warehousing industry."

NRI says it is committed to doing business ethically but also in an environmentally and socially responsible manner. It defines its approach to corporate responsibility as starting "at home with our employees".

"Within the community, we understand that our business and that of our clients do not excel without a healthy environment. We look for ways to become greener and encourage our team members to bring forward their ideas too. Community at NRI extends to many different avenues that are important to our team members. We support and encourage our employees to participate in events that have meaning to them. This includes volunteering, donations in kind and fundraising events. At NRI, we are pleased to say that we contribute one full-time team member per year to activities in the community!"

After our move, Rip Curl also switched to NRI. The company now manages the entire Kathmandu portfolio in North America.

"They give back to their community and support their staff in further education, which is fairly uncommon in the warehousing industry."

**CHRIS RISCHKE**  
DIRECTOR OF OPERATIONS

## OUR SUPPLIERS 2020



\*Our three factories were audited at the very end of FY19, and corrective action plans were issued to each of them to be worked through in FY20.





# Our products.

A hiker stands atop a rock on the Sypes Canyon trail in the new W's Sypes Mid, launching Spring 2021.



# Exploring sustainable materials.

Our approach to sustainable products has three pillars – durability, materials and process. Oboz Director of Product Merchandising and Development Dan Wehunt says, “If we can do better in all three of those categories, we’ll be doing better for the environment.”

## DURABILITY

Durability comes first. If our product doesn’t last and ends up in the waste stream too early, any other initiatives won’t do any good. “Durability is core to our brand, core to our product and core to our approach to sustainability,” says Dan.

We have implemented lightweight polyurethane foam into some of our core hiking product franchises. Polyurethane performs longer than traditional EVA, resulting in more durable products. We have also begun to source Cordura-branded textiles, which provide best-in-class abrasion resistance.

“The goal is keeping our product on people’s feet longer,” Dan says.

## MATERIALS

This year, we released our Bozeman collection. “This range was an opportunity for the Oboz brand to begin to explore what’s possible for sustainable materials in our footwear,” says Dan.

The Bozeman is a lifestyle range with eight styles, which accounts for about 15% of the entire range. For each material, we tried to source a recycled alternative. The lining material is made from a unique blend of recycled

polyester and natural fibres that help wick moisture. Laces are REPREVE recycled polyester, and the woven upper textile and webbing components are 100% GRS-certified recycled polyester.

To reduce the petrochemicals in our foam, we’ve replaced 20% of the virgin EVA foam in the Bozeman range with a product called Bloom, which is made from algae.

Moving forward, we plan on rolling Bloom algae into more of our insoles throughout the product line.

We’ve started exploring alternatives to our carbon rubber, which is associated with toxic chemicals and deforestation. We’ve started looking at compounds that might be longer lasting and at rubbers that use a blend of rubber and rice husk. We’re also exploring what’s known as regrind rubber, where rubber scraps are blended together to create a new product from waste.

Size can be a limiting factor for Oboz. Many sustainable materials have high minimum order quantities that we struggle to meet. “The outdoor industry is ripe for collaboration. Partnering with other small and mid-sized brands, we could really make an impact. There is an opportunity for us to work together to consolidate materials and overcome this challenge.”

## PROCESSES

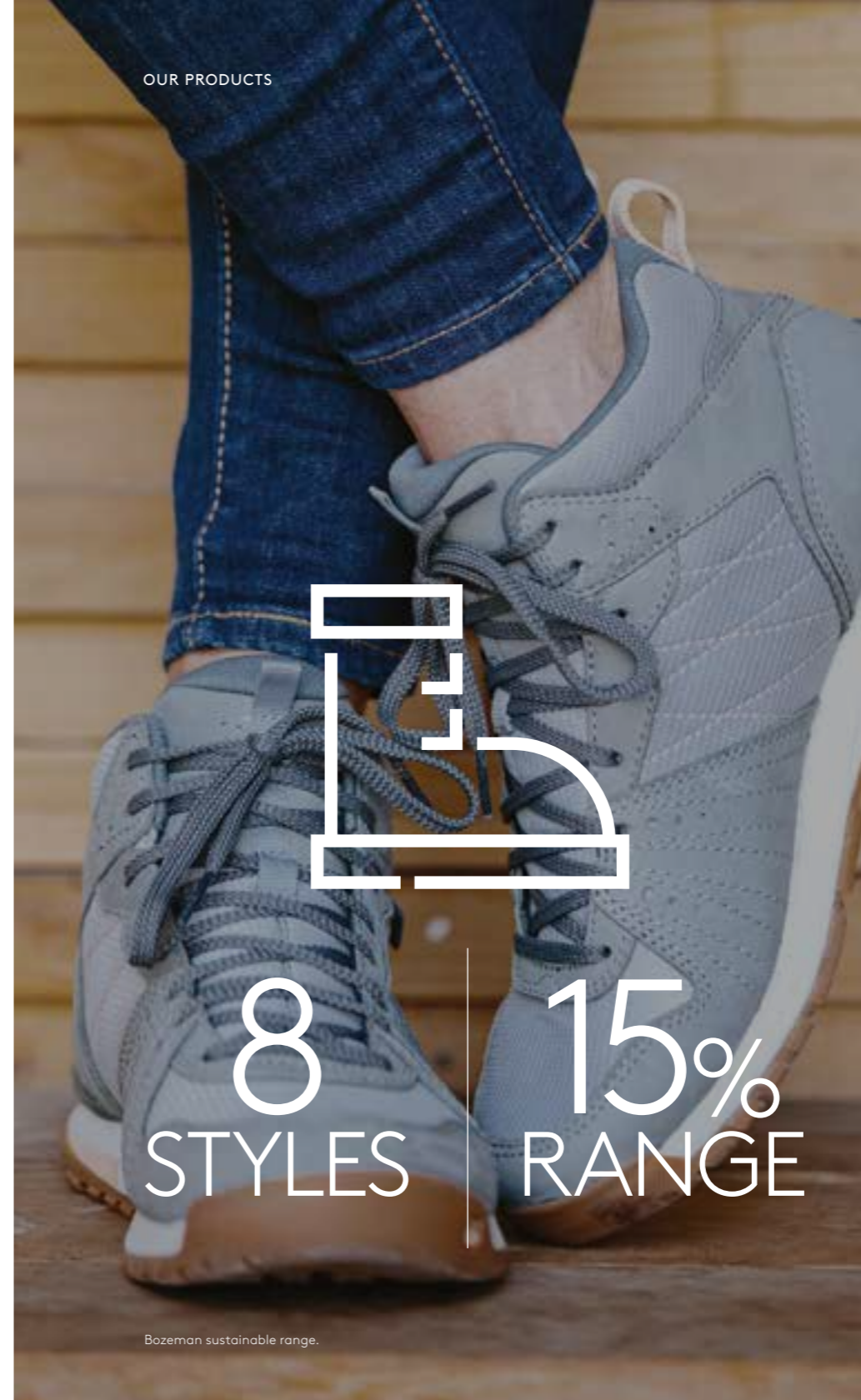
As an outdoor hiking footwear company, we primarily rely on leather for its durability and protection against the elements.

“While leather is a byproduct of the meat industry, we acknowledge the tanning process is not the most environmentally friendly process, and we are constantly looking for ways to improve. We require all of our water-resistant leathers to use PFC-free treatments. We also support and encourage our tanneries to work with the Leather Working Group.”

The Leather Working Group (LWG) is a not-for-profit organisation that developed a system to certify leather manufacturers according to their environmental compliance and performance capabilities. The certification reflects their scores on a large number of indicators including waste management, water use and air and noise emissions.

Oboz works with two tanneries that are rated Gold and Silver under the LWG. We’re supporting and encouraging our suppliers to improve their scores and achieve Gold certification.

Internally, our next step is to set strategic goals for the sustainability of our products. This will elevate sustainability as a priority in our product development and will help us identify short-term and long-term goals.



Bozeman sustainable range.

## FROM HARMFUL ALGAE TO SUSTAINABLE SHOES

We’ve replaced traditional EVA foam in our Bozeman range with an algae-based blend called Bloom. Bloom is made by cleaning up toxic algae from waterways. Algal blooms around the world are harmful to wildlife and humans. From Chinese lakes choked with algae to Southern Californian beaches where swimmers get sick - the problem has been dubbed a global crisis - and it’s driven by rising global temperatures and excess nutrient runoff.

But Bloom founder Ryan Hunt discovered a way to turn the algae into foam. His company, Algix harvests, dries and extrudes the algae into an algae-blended EVA for the footwear industry. Each pair of shoes helps to clean waterways and sequester carbon. A single 200g product cleans 45 litres of water and 28 cubic metres of air. To date, Bloom has cleaned almost 600 million litres of water and 373 cubic metres of air.

At Oboz, we’re excited to make our shoes part of the solution.



## CARE AND REPAIR

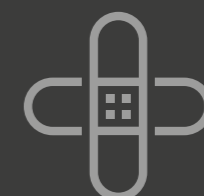
3,250

LACES REPLACED

3,117

REPLACEMENT SHOES

## SAFETY



1

INCIDENTS

The one reported incident was a result of a minor customer injury from an isolated manufacturing defect.





A hiker keeps to the path while trekking down the Bridger Ridge Trail.

# Our footprint.



# We plant a tree for every pair sold.

Oboz was founded with an intention to do the right thing. We plant a tree for every pair of shoes sold, and we have been offsetting carbon since before it was popular. But we know there is much more we can do, and as we grow and mature as a company, we're committed to improve the way we measure and track our footprint.

## TREES FOR THE FUTURE

Our 12-year partnership with Trees for the Future has seen a total of 3.3 million trees planted.

Trees for the Future is a non-profit founded in 1989 that helps communities around the world plant trees. The organisation works with communities in Central America, South America, Africa and Asia to incorporate tree planting into their agricultural activities.

This work has empowered rural groups to protect the environment and to preserve traditional livelihoods and cultures for generations. They have planted 187 million trees in the last 30 years.

Last year, we supported Trees for the Future to plant 700,000 trees.

## CARBON OFFSETTING

We carbon offset our shoe shipments and also all employee travel, commuting (although almost everybody bikes) and the office utility bill with the help of the Bonneville Environmental Foundation, an Oregon-based non-profit organisation that markets green power products to public utilities, businesses, government agencies and individuals.

Last year, we offset 493 tons of CO<sub>2</sub>.

President Amy Beck says, "We've always offset carbon, but I think we can go deeper here, especially because we're a relatively small brand. One of the biggest impacts we've seen from COVID is the reduction in travel, and we hope we can learn from that to reduce our impact going forward."

We use a lot of money and carbon shipping samples around the world. To reduce that, we've started work on 3D modelling technology that would allow us to make this part of our sales process digital.

As we start to explore what circularity means for our industry, we've partnered with gear rental company Arrive Outdoors to trial a rental programme.

## RENEWABLE POWER

100% of our office juice comes from wind, solar and biomass from northwest Montana and Wyoming through the E+ Green Power Partnership.

## WASTE WARRIORS

We have gone through a process to make all our packaging recycled and recyclable. We don't use polybags, and we have ticked off certifications for sustainable packing.

The shoes we don't sell make a difference too. We donate our unsellable (but still trail-worthy) shoes, partnering with Project Sole and local non-profits to find feet in need.

We educate our customers on how to properly clean and condition boots to ensure longevity, reducing product waste, and to limit the transfer of invasive species.



## OUR CARBON JOURNEY

TOTAL MEASURED ELECTRICITY EMISSIONS ● USA

2017 250 TONNES CO<sub>2</sub>e

2018 479 TONNES CO<sub>2</sub>e

2019 493 TONNES CO<sub>2</sub>e

"We've always offset carbon, but I think we can go deeper here, especially because we're a relatively small brand."

AMY BECK  
PRESIDENT

At Oboz we measure our total electricity emissions by calendar year.





# Our community.

Aerial shot of Bozeman, Montana, looking toward the Bridger Range of the Rocky Mountains.



# Staying true to our community.

The Oboz community is made up of a diverse group of like-minded, free-spirited adventurers exploring some of the most amazing places two feet can take them. Our community partnerships are led by our brand compass and our belief that people's lives are improved by spending time outdoors. This year, we also started taking active steps to explore what we can do to improve diversity, equity and inclusion in our organisation and our community work.

Oboz Director of Brand and Consumer Experience Rich Hohne says, "Our community efforts reinforce the brand's pledge of being true to the trail. Critical to this promise is celebrating the experience of being on the trail and being true to our community. Oboz's vast efforts in our local community and key areas across North America support what's important and encourage people to get outdoors more – because any other way just wouldn't be true to the trail."

## CONNECTING PEOPLE TO LANDSCAPES

The Gallatin Valley Land Trust connects people to the landscapes that surround Bozeman through the conservation of open spaces and creation of trail systems. We have put \$7,000 towards the acquisition and trail development of a property in Bear Canyon. Together with other outdoor industry leaders, we're working towards better access to 6,000 acres of state land.

## OPPORTUNITIES FOR VULNERABLE TEENS

Big Sky Youth Empowerment's mission is to provide the most vulnerable teens in the Bozeman area with opportunities to experience success through an adventure-based mentorship programme. To make sure the kids have proper footwear for trail hiking, we support the programme with 40 pairs of shoes. We've also set aside cash and promotional resources to help the organisation achieve its goals to support more than 120 kids from grades 8 to 12. We even hit up our friends at Darn Tough to provide high-quality hiking socks.

## PRESERVING WILDERNESS

For more than 50 years, Montana Wilderness Association (MWA) has been working with communities across the state to protect, preserve, connect and restore Montana's wilderness heritage, quiet beauty and outdoor traditions. MWA was critical in securing designation for all 15 wilderness areas in Montana. MWA's activism, trail maintenance, educational programmes and Wilderness Walks help local communities around the state protect Montana's wilderness now and for future generations. We provide \$1,000 in support as well as discounted shoes for staff.



**SUPPORTING RESPONSIBLE TREKKING**

Wildland Trekking is a global leader in the adventure travel industry. They provide responsible and sustainable hiking adventures while promoting the conservation of both natural and human communities. We support Wildland Trekking with gear donations and discounted prices for guides and employees. Oboz is the official sponsor of Wildland Trekking's Bunsen Peak hike in Yellowstone National Park.

**ENCOURAGING OUTDOOR APPRECIATION**

Oboz supports the Banff Mountain Film Festival – an international film competition and annual presentation of short films and documentaries about mountain culture, sports and the environment. Banff is the premier international film festival for outdoor films, and it supports emerging outdoor filmmakers and artists. We support the festival with \$24,000 for three years. We have also sponsored and led a sunrise hike at the festival for the past three years.

**CELEBRATING CREATIVITY**

Live From The Divide hosts songwriters in an intimate venue on the north side of Bozeman. The music venue has hosted legends like Steve Earle and Sturgill Simpson. Performances are recorded for radio and online broadcast, and producer Jason Wickens interviews visiting acts. The resulting podcasts and broadcasts invite listeners to go deeper into the words and sounds that connect with our collective and individual experiences. Oboz supports Live From The Divide with \$25,000.

**TREES FOR THE FUTURE**

Oboz has partnered with Trees for the Future since our inception. The organisation works to improve the livelihoods of impoverished farmers by revitalising degraded lands through their Forest Garden programme. We work with Trees for the Future to plant a tree for every pair of shoes sold. This partnership has seen around 3.3 million trees planted since the company started. Our trees are currently supporting the Tabora Forest Garden project in Tanzania.

The project helps families transition from unsustainable farming techniques to a forest garden system, which is a multi-layered system that combines varieties of crops and trees. Trees for the Future says this system has the potential to end hunger and poverty for millions of subsistence farmers struggling to survive throughout the developing world.



A Bozeman icon, the Genuine Ice Cream trailer welcomes summertime crowds on Main Street.

**COMMUNITY BY THE NUMBERS**

**3.3** MILLION TREES PLANTED

**\$1,000** AND DISCOUNTED GEAR FOR MONTANA WILDERNESS ASSOCIATION

**\$24,000** FOR THREE YEARS TO SUPPORT BANFF MOUNTAIN FILM FESTIVAL

**\$7,000** FOR GALLATIN VALLEY LAND TRUST



**\$25,000** TO SUPPORT SONGWRITERS WITH LIVE FROM THE DIVIDE



**120** KIDS HELPED TO GET OUTDOORS



Singer/songwriter Colter Wall performs at local venue Live From The Divide. For 2020, Oboz is title sponsor of Live From The Divide, along with its broadcast and podcast series.





# Our team.

Two backpackers assess their route in the Beartooth Mountains.



# Big strides in diversity and culture.

“This improvement in gender diversity is one of the things I’m really proud of this year.”

AMY BECK  
PRESIDENT

Oboz is a small team and so it’s natural for us to focus on people. Our turnover rate is generally very low. Last year, four employees left and we also added three new roles – taking our total team number to 27.

This large year of hiring resulted in a welcome shift in diversity – our team went from 29% women to 41% women.

President Amy Beck says, “This improvement in gender diversity is one of the things I’m really proud of this year.”

Two roles this year were filled internally, reflecting our commitment to promoting professional development within our team.

We’ve been working with Kathmandu, our parent company, to implement more training, mentoring and leadership development. We’re establishing key performance indicators around this so we can track and review our progress.

We created a Cōlture Club this year to help us create new ways to build a supportive and inclusive culture at Oboz. Our JEDI task force has been enacted to broaden the Oboz team’s awareness on issues of systemic bias and injustice as well as to research opportunities for development, recommend actions to Oboz leadership and reach out to diverse outdoor and environmental groups to learn and offer help. We signed our commitment to the Outdoor CEO Pledge that will track our actions on improving recruitment and representation among Oboz brand ambassadors and partners.

Our teams normally participate in Trails Day with the Gallatin Valley Land Trust, which we support and host. Trails Day is a community event for building and maintaining trails in our region. This year, we couldn’t do the event as a group, but the Trust didn’t let that stop work on trails. They kicked off with a virtual event and encouraged people to spend some time working on trails safely and separately.

Many of our team members volunteer on community or industry boards. President Amy Beck sits on the Conservation Alliance Board and is a mentor for the Outdoor Industry Association’s leadership programme. Rich Hohne, Director of Brand and Consumer Experience, is a long-time partner and board member of Big Sky Youth Empowerment, which provides opportunities for vulnerable teenagers in our community to experience success and become contributing members of our community through group mentorship and experiential adventures. Our newest team member, Planning Analyst John Nehring, sits on the Gallatin Watershed Council working on restoration projects in the watershed to improve stream health and water quality and unifying efforts around addressing water quantity and to extend water supply planning efforts beyond city limits.

Being true to our people is one of the four points of our true to the trail compass. We’ve made some big strides in that internally this year, and we’re looking forward to pushing further down this path.



Looking forward to the future, or in this case, the Bear Tooth Mountain peaks in the Absaroka-Beartooth Wilderness Area of Montana.

## BY THE NUMBERS



41%  
FEMALE REPRESENTATION

59%  
MALE REPRESENTATION



27  
TOTAL STAFF





Nathalie Deroos and Leah Thompson wearing My Bikini in the Maldives



**RIP CURL**





# Our journey.



# Our journey.

Rip Curl CEO Michael Daly is well placed to comment on the company's sustainability journey. He's been with the company for 18 years and in the role of CEO since 2012.

Rip Curl is a 50-year-old company. When I started 18 years ago, there were only three stores. Now there are more than 200. Rip Curl is a global company with staff on five continents and our own manufacturing facility in Thailand.

When the company founders started making plans to retire in the late 90s, they put on paper the values and principles of the brand that they wanted to see carry on. One of those values is to actively contribute to the communities we operate in, especially the environment.

This is something Rip Curl has done very well. We often operate in small beachside communities where we are the biggest employers in town. Here in Torquay, Victoria, there wouldn't be a facility or organisation that we haven't contributed to in some way. I've joined our crew planting trees, weeding and removing rubbish at our annual Planet Day, which has run for 20 years now.

When I became CEO, we sat down and worked out where we would focus our sustainability efforts for the next decade. We came up with three areas of focus.

### SAVE OUR SURF

The first area of focus is on preserving and protecting our oceans. This work was already under way with beach cleanups around the world, as well as tree planting and foreshore protection.

### ENVIRONMENTAL PRODUCTS

This area of focus covers everything from the fabrics we select to swing tags and polybags. We are challenging ourselves to push this area further with our Saltwater Culture Collection.

### ACT SUSTAINABLY

Under this banner are initiatives that help us become a better corporate citizen – from elevating our supplier base to managing our waste.

We are getting better in all of these areas, but we still have a lot of work to do. The acquisition by Kathmandu has been a great catalyst for us to look internally at what we can do better. We are going through the B Corp baseline assessment, and we are all in on that. It aligns really well with our values.

I'm very proud that our company is not one that has woken up overnight and picked up sustainability because it is good for sales. It is something that fits the brand values that have been written down for 20 years and are lived passionately by our team, some of whom have been with the company for 48 years.

To help face our challenges, we've made some changes with our crew to help us ramp things up. We hired Lucy Nakaroti to fill a brand-new role of Sustainability Coordinator. We've also created a sustainability working group, which is made up of representatives from departments around the business.

Together, we'll tackle the challenges ahead of us – making sure we focus on the areas where we can have the greatest impact.



**MICHAEL DALY**  
CEO



# Brand values in action.



### CUSTOMERS

WE SUPPORT YOUNG SURFERS WITH OUR GLOBAL GROMSEARCH EVENT SERIES.



### CREATIVITY AND INNOVATION

WE USED RECYCLED MATERIALS TO CREATE BEAUTIFUL NEW SHOP FITOUTS THAT REFLECT OUR BRAND AND HAVE A LOWER ENVIRONMENTAL FOOTPRINT.



### COMMITTED CREW

WE SUPPORTED PASSIONATE CREW CLIMBING SUMMITS FOR KIDS WHO NEED HEART SURGERY.



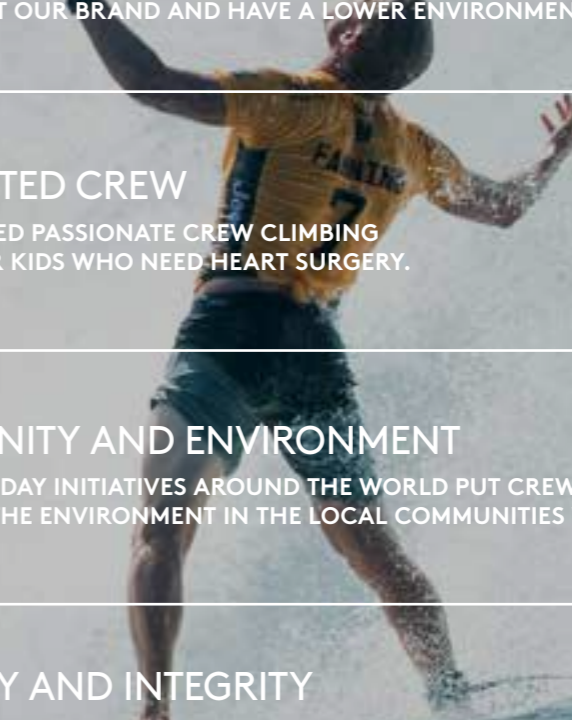
### COMMUNITY AND ENVIRONMENT

OUR PLANET DAY INITIATIVES AROUND THE WORLD PUT CREW TO WORK IMPROVING THE ENVIRONMENT IN THE LOCAL COMMUNITIES WHERE WE OPERATE.



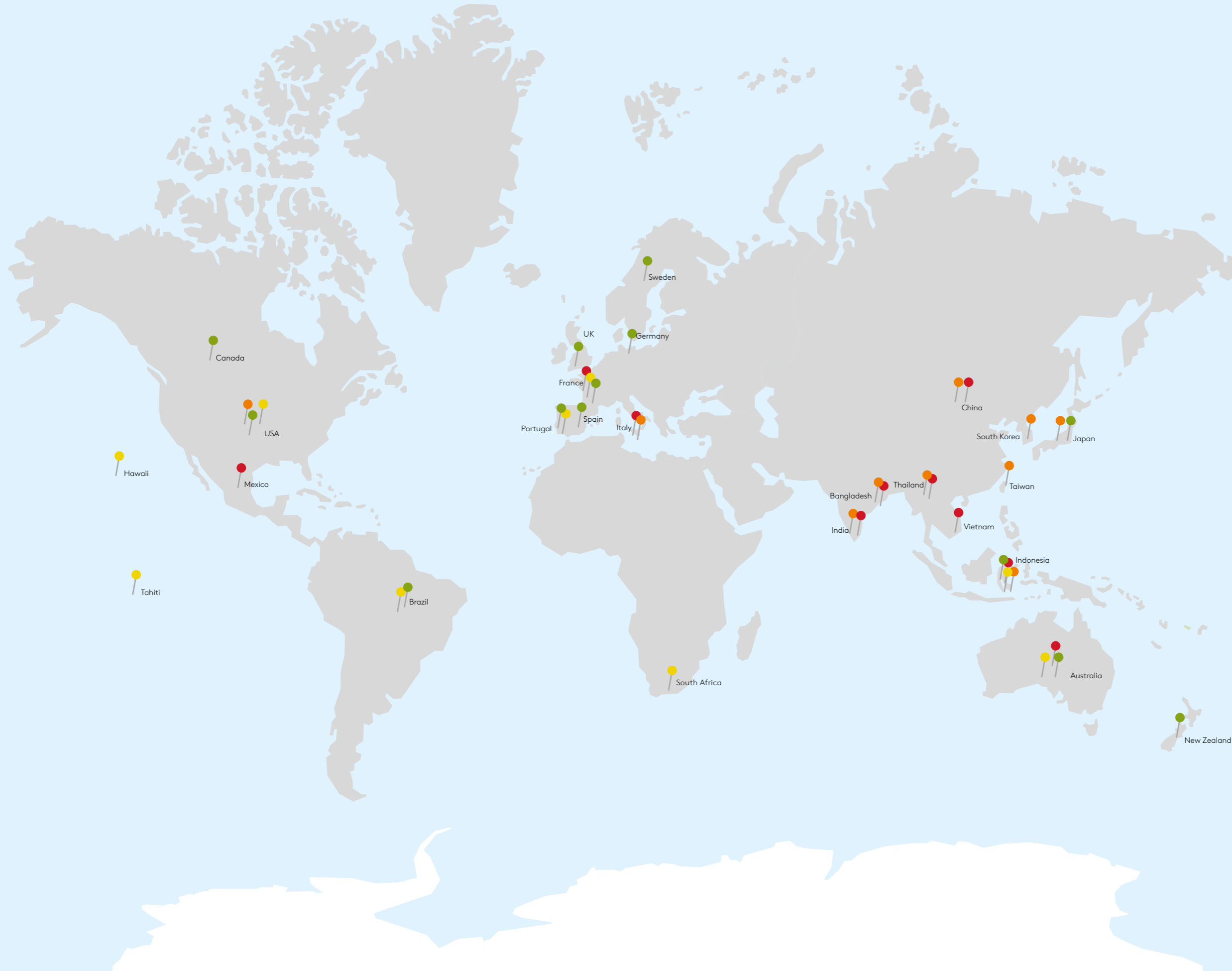
### HONESTY AND INTEGRITY

WE'VE JOINED KATHMANDU'S MISSION TO IMPROVE THE LIVES OF PEOPLE IN OUR SUPPLY CHAIN WITH A TRANSPARENT NEW SUPPLY CHAIN PARTNER.





# Our world.



KEY



**FACTORIES**

**98 TOTAL**

- China – 65
- India – 15
- Bangladesh – 6
- Thailand – 3
- Vietnam – 3
- Australia – 2
- France – 1
- Indonesia – 2
- Italy – 1
- Mexico – 1



**MATERIALS SOURCING**

China, Taiwan, South Korea, Italy, Thailand, Bangladesh, Indonesia, India, USA, Japan



**OPERATIONS**

**Stores – 160**

Australia 104, NZ 1, Brazil 3, Canada 2, Europe 20, Japan 2, USA 28

**Head office – 8**

Australia 3, Brazil 1, Europe 1, Japan 2, USA 1

**Warehouse – 6**

Australia 2, Brazil 1, Europe 1, Japan 1, USA 1



**EVENTS AND ATHLETES**

Australia (QLD, VIC, WA), Indonesia, Brazil, South Africa, Tahiti, USA, France, Portugal, Hawaii

A total of 10 Rip Curl team-riders attend each of these locations whilst competing on the WSL Championship Tour.





# Our suppliers.



# Baptist World Aid.

“There is always more to do and more to learn.”

**HELEN SHARP**  
RIP CURL ETHICAL SOURCING AND COMPLIANCE MANAGER

Rip Curl began contributing to Baptist World Aid’s Ethical Fashion Report in 2017. From 2017 to 2018, we improved from a C+ to a B+ and then maintained that score in 2019 despite increased reporting requirements that caused a lot of brands to drop.

Rip Curl Ethical Sourcing and Compliance Manager Helen Sharp says the approach has been conservative. “Unless we can 100% back up our claims, we don’t make them, so I think our real position is probably a bit better than what we report.”

Providing all the detail for the report is a long and arduous process, but it has helped give Rip Curl a better picture of where we are and how we can improve.

“It can be daunting to look at all the data that is required, but I think overall we learned that we are doing a lot more than we thought we were,” Helen says. “We also became more aware of where we can improve some of our processes and procedures.”

This year, instead of a report, Baptist World Aid is asking brands to commit to supporting workers in their supply chain as Covid-19 ravages the world.

Rip Curl’s supply chain philosophy is built heavily on relationships — with some suppliers having been with the company for 25 to 30 years. “It’s about a partnership based on mutual respect,” says Helen. “Empowering the workers is something we can do better with a long-term relationship that allows for improvement.”

Last year, Rip Curl moved under the Kathmandu Holdings Limited umbrella, a B Corp with Fair Labor Association accreditation. This relationship brings a lot of supply chain experience, and Rip Curl is ready to take the next step up. We have announced we will align with Kathmandu’s supply chain management under ELEVATE — the same supply chain consultant used by our parent company.

ELEVATE will help Rip Curl introduce a social media-based grievance mechanism for workers that will give them a voice. “We take it for granted that we can raise an issue if we have one, but for many people in the world, it’s not that easy,” Helen says.

“There is always more to do and more to learn,” says Helen. “Working with ELEVATE gives us a presence in-country and allows us to streamline things with Kathmandu and even share audits. This is a new chapter for us. It’s really exciting.”

For 31 years, Rip Curl has owned its own factory in Chang Mai, Thailand, which employs 528 people making wetsuits and personal floatation devices.

Helen says, “Owning our own factory ensures that the workers are fully paid and all rights respected. We also support many local community projects — including projects to clean up rubbish, support Children’s Day, support housing the poor and fund medical equipment for the local hospital.

## OUR SUPPLIERS 2019



## Our partners.



**INTERTEK**  
We partner with Intertek, a leading Quality Assurance and testing provider.



**AUSTRALIAN PACKAGING COVENANT ORGANISATION (APCO)**  
We are a signatory of the Australian Packaging Covenant, continuing to collaborate with other industries on sustainable packaging solutions.



**LEATHER WORKING GROUP**  
Working with a supplier that is approved by the Leather Working Group helps us to assess the environmental compliance, performance capabilities, and to promote sustainable and appropriate environmental business practices within the leather industry.



**AUSTRALIAN INDUSTRY GROUP**  
AI Group provides unlimited calls to the workplace advice line, regular award and compliance updates and access to HR, safety and business improvement resources, webinars, podcasts, networking and knowledge events.





Leilani McGonagle wearing the Saltwater Culture Cheeky Coverage Long Sleeve Swimsuit and Leah Thompson wearing the Saltwater Long Sleeve Surf suit at the beach in Indonesia.

# Our products.





Molly Picklum wearing the G Bomb Long Sleeve Spring Hi Cut Wetsuit, surfing in NSW.

## OUR SUSTAINABLE FABRIC SEARCH

152% TOTAL INCREASE

### ORGANIC COTTON

2019 7.2 TONNES

2020 22.9 TONNES

↑ 218% INCREASE

### REGENERATED POLYAMIDE (ECONYL)

2019 3.6 TONNES

2020 11.4 TONNES

↑ 217% INCREASE

### RECYCLED POLYESTER

2019 6.9 TONNES

2020 10.3 TONNES

↑ 50% INCREASE

# Made with sustainability in mind.

**"It's all very well to use recycled material, but the philosophy is all encompassing."**

#### JARRAH MCDIARMID

PRODUCT MANAGER EQUIPMENT AND ACCESSORIES

Our Saltwater Culture Collection is made with sustainability in mind. This collection is Rip Curl's foray into sustainable product development. It's a place to learn and experiment with recycled and low-impact materials that still deliver the durability that Rip Curl products are famous for.

"The most sustainable thing we can do is make really durable products," says Jarrah McDiarmid, Product Manager Equipment and Accessories. "That's what Rip Curl is built upon. It's one of our key brand values."

The first product produced under the Saltwater Culture Collection was the Mirage boardshort, made from recycled polyester using recycled plastic bottles.

Other product divisions were challenged to create products for the collection. This added Econyl swimwear, organic cotton tees, recycled polyester backpacks and equipment and even footwear made from sugarcane.

When the wetsuit division created a recycled polyester rash vest for both genders, that gave the range a good boost in unit numbers.

All Saltwater Culture products use recycled polyester trims, recycled paper FSC swing tags and string.

"It's all very well to use recycled material, but the philosophy is all-encompassing. We want to look at the whole product and how it is shipped, delivered and communicated."

One of the biggest challenges with the Saltwater Culture Collection is managing the extra costs of sustainable products. Consumers aren't always willing to pay more for sustainability, so our focus for the future is on larger-volume product categories where we can have more impact and more purchasing power.

"Our industry is inherently connected with the environment and protecting our environment. We're also aware that our industry causes harm, but we all have a vision to make it more sustainable," Jarrah says.

The next steps are to find ways to track and measure our impact and set goals for converting more and more of the range to sustainable fabrics.

"Everyone at Rip Curl is really passionate about sustainability, but it's still kind of new for us. We've got a lot to learn in this area. We aren't perfect, and neither is this collection. But it's the start, and we're proud to say we are making progress."

### RECYCLED FISHING NETS IN SWIMWEAR RANGE

Senior Swimwear Designer Natalie Bortolotto had an idea to develop a planet-friendly range and then took it a step further.

"I put forward the idea of changing our entire basics range to be recycled fabric," Natalie says.

Eco Surf Essentials launched last year using Econyl, a fabric created by Italian firm Aquafil that regenerates industrial plastic and fishing nets.

Traditional nylon production uses huge amounts of water and produces nitrous oxide, which is 10 times more potent than carbon dioxide. It's estimated that up to 40% of plastic waste in the ocean is nylon. Discarded fishing nets threaten marine life — trapping whales, dolphins, sharks and turtles.

Econyl collects this waste and transforms it into a high-quality fabric that uses less water and creates less waste than traditional nylon

production, reducing the global warming impact by up to 90%.

"I did my research on Econyl because I was sceptical. Some plastic recycling uses huge amounts of water and energy, and I wasn't interested in greenwashing," Natalie says.

By putting this fabric into a timeless essentials range, Natalie says this long-lasting swimwear can be a great part of a carefully considered wardrobe.

Around 65% of the Rip Curl swim collection now uses recycled elements. We've used more than 15 tonnes of Econyl so far — that's saved 105 barrels of crude oil and 5.71 tonnes of CO<sub>2</sub> emissions.

"We are a brand that is heavily connected to the ocean so I want to make sure we're leaders' in innovation and sustainability. As a designer, thinking about sustainability requires me to think outside of the box, which I love. And creativity and innovation is one of Rip Curl's core values, so it fits."





Pro surfer Mick Fanning surfing in the Maldives.

# Our footprint.



# Polybag footprint decreased.

This year, we've learned that small things can make a big difference. Plastic bags do an important job of keeping our product safe from damage as they move from suppliers through our distribution centres. Without them, damage to products could result in huge volumes of waste. But that doesn't mean we can't improve.

We looked into ways to reduce the impact of our protective polybags by reducing the thickness of the plastic and increasing the recycled content while still retaining the strength to protect goods in transit.

The magic formula that we settled on uses 40% less plastic and 30% recycled plastic. After use, we aim to recycle as many bags as possible, but for any that do end up in landfills, we have also included a biodegradable additive that means they will break down over time and will not create microplastics.

So far, more than 1 million of these greener bags have been ordered.

Another part of this polybag project looked for ways to reduce the total number of polybags. We combined items like belts into packs of 5 or 10, and we removed polybags on all black wetsuits.

We trialled putting denim products into a single large bag instead of individually wrapping each one. We saved 12,500 bags in the denim trial. And a best-selling towel was changed from being sold in a plastic bag to a reusable tote bag. Bye-bye plastic.

Since we converted our online sales satchels to home compostable bags, we have saved 55,000 plastic bags.

Product by product, gram by gram, bag by bag, our search for more sustainable ways of operating is turning up big gains through many small tweaks.

The next step is to introduce new and better ways to measure our impact and then set targets for continued improvement.

## RESPONSIBLE MATERIALS FOR SWING TAGS

This year, we changed most of our swing tags and paper trims to responsibly sourced materials – a mix of Forest Stewardship Council (FSC) recycled paper and paper from controlled woods.

In our first season, this meant 950,000 responsibly sourced swing tags would land in shops. Eyewear, watches and footwear are the last of our products using non-responsible paper, so these will be our next challenge.

Our accredited swing tag supplier will track the impact of this change.

"Swing tags might seem like a very small part of our product," says Women's Head of Design Amy Findlay, "but we produce upwards of 9.6 million of them globally per year."

Swing tags are required on every item to house a barcode and important style information, which are used by suppliers, warehouses and in store.

"Moving our swing tags to FSC-certified paper is a small manoeuvre our team thought we could work through with our supplier to improve our environmental stance," Amy says.

## OUR FOOTPRINT BY THE NUMBERS

# 950,000

SUSTAINABLY SOURCED SWING TAGS

# 55,500

COMPOSTABLE BAGS REPLACED PLASTIC BAGS

# 12,500

POLYBAGS SAVED IN DENIM TRIAL

NEW POLYBAGS CONTAIN

# 40%

LESS PLASTIC BY WEIGHT AND 30% RECYCLED PLASTIC







Rip Curl store at Sydney Domestic Airport

## Timeless store design pushes back against disposable fitout culture.

Rip Curl Group Store Experience Manager Angie Vandy was concerned and frustrated by the disposable approach to store fit-outs.

"Retail fit-outs globally are so disposable" Angie says. "Leases come up every five years and as part of the lease renewal a new fit out is required or a new brand goes into that space." The common practice is to de-fit the site and discard all components and start again. We are very passionate about changing that for Rip Curl."

When designing the new concept for Rip Curl at the Sydney Domestic Terminal, Angie partnered with

Creative Director James Taylor and they looked hard at what they could do to reduce the impact.

"The aim was to use reclaimed or sustainable timbers throughout, and design permanent elements like fixtures that were long lasting and could be reused at the end of the lease. We also wanted to create a timeless, authentic retail environment that reflected the DNA of our 50-year old brand."

Reclaimed hardwood flooring, ceiling and wall linings were used along with custom made bespoke fixture items made out of second hand timbers.

Crates, plants and other shop fittings were sourced from second-hand shops. Disposable point of sale items from the previous concept were replaced with point of sale that was long lasting and interchangeable with recycled stocks.

Angie says the first fit-out was challenging to source the quantities and ensure all of the reclaimed materials passed airport requirements. "Reaching the vision for this concept required all team members to come together to execute all elements. We definitely had our challenges with this concept and it's a

constant work in progress." This more sustainable approach to store fit-outs has been applied to six stores around the world, and this will be the new approach to refitting Rip Curl's 70 flagship stores in the future. Each store is designed individually, and stand-alone stores are often stripped back to reveal their raw architectural features.

"There's so much more we want to do. We would love to have our retail stores Green Star accredited. The biggest plus from the Sydney Airport store has been the customer feedback, and the staff love the feeling of working there."





# our community.

Rip Curl surfers comparing equipment on the North Shore Hawaii.





# We surf, we care.

This is the idea that governs our approach to community – whether we’re planting trees or pulling weeds around our head office on the Victorian coast or other international offices or supporting communities who host our GromSearch junior surf events around the world.

Each year for the last 20 years, Rip Curl staff at Torquay headquarters have allocated one working day to work with local environmental groups to improve the Surf Coast area.

Planet Day, as we call it, has resulted in more than 100,000 indigenous plants reintroduced and more than 17,000 hours of volunteer labour to help those plants survive and thrive.

The Great Ocean Road Coast Committee has been working with Rip Curl Planet Day for 20 years. Project Manager Evan Francis says Planet Day helps foster community ownership and appreciation, which he says is one of the best ways to protect this unique coastline.

“Projects have ranged from clearing swathes of weeds throughout the dunes to large revegetation projects, many of which would not have been started unless we had the workforce provided by Rip Curl.”

We asked the volunteer groups we work with how we can best contribute, and they told us what they need most is hours. There’s no point planting trees if they don’t survive, so some

years our crew gets stuck into the less glamorous jobs of weeding and picking up rubbish, and we’re proud that the trees we’ve planted have a survival rate of more than 80%.

Rip Curl Group CEO and Planet Day participant Michael Daly says, “The Rip Curl Planet Day has become a popular tradition for our crew, and it’s awesome to see the results from previous years in our coastal areas.”

### AUSTRALIAN BUSHFIRE SUPPORT

The Australian bushfires had a big impact on our community, and we showed our support by donating \$73,285 from sales of our eco tote bag to local rural fire services in each state where sales were made. To support threatened wildlife, we also donated to Wildlife Victoria, Port Stephens Koalas and Adelaide Koala and Wildlife Hospital.

## PLANET DAY AUSTRALIA



170  
STAFF PARTICIPANTS

20  
YEARS



17,000  
VOLUNTEER HOURS



3400  
WORKING DAYS COMMITTED



100,000  
INDIGENOUS PLANTS

Nyxie Ryan gets chaired up the beach after winning a GromSearch event in Australia.



# Planet Day dispatches from our global crew.

"Right through the GromSearch series, we always try to think carefully about how to reduce packaging and waste, even with prizes."

## MARK FLANAGAN

RIP CURL NATIONAL TEAM,  
EVENT & PARTNERSHIP MANAGER

## UNITED STATES

In partnership with the Surfrider Foundation, our US crew spent their Planet Day picking up more than 1200 "pounds of trash". Only three of 11 scheduled cleanups went ahead this year because of Covid-19. In September, 100 employees collected 50 lb of trash from San Onofre Beach in California. In December, 150 volunteers including Rip Curl staff collected 1100 lb in Haleiwa, Hawaii, and in February, 70 volunteers including Rip Curl staff collected 55 lb from the beach in Ventura, California.

## BRAZIL

Rip Curl Brazil works with beachfront hotel Jequitimar and their staff to run a beach cleanup on International Coastal Cleanup Day each September.

Around 80 to 100 people give their time each year to the event, which is followed by snacks, drinks and free surf lessons.

## SUPPORTING GROMS ACROSS THE GLOBE

Around the world, Rip Curl fills the development gap between junior talent and the professional surfing tour with our GromSearch junior surfing events. This series runs in more than 10 countries around the globe.

Mark Flanagan, Rip Curl National Team, Event & Partnership Manager, says the event is designed to mix fun and competition.

"For some kids, it's really just about turning up and hanging with friends at the beach, so a big focus is fun

and participation. But for others, the event is a springboard to a professional surfing career, so participants can also test themselves against elite-level surfers from their area, their country and, eventually, from around the world."

The GromSearch events are also an opportunity to give back to local communities, and we leave it to our crew on the ground to come up with the best ways to do this. In Brazil, each participant is given a native tree to plant as part of the competition, and we've partnered with the Eco Local Brazil charity to make Rip Curl GromSearch "the most environmental friendly amateur surfing event in Brazil".

In Bali, they run a beach cleanup alongside the event, and in Costa Rica, the crew worked with a local school to plant trees that would help regenerate the foreshore. At home in Australia this year, instead of a prize trophy, we donated \$100 to Australian wildlife bushfire recovery in the name of each winner.

The GromSearch International final champs bring the top surfers from every country together.

"Right through the GromSearch series, we always try to think carefully about how to reduce packaging and waste, even with prizes. We might order boxes of towels with no individual packaging straight from the manufacturer so we don't bring any plastic packaging to the event. This year, we awarded 124 Rip Curl clocks with place ranking plaques instead of trophies, because they would be more likely to go on to have a useful life," Mark says.







# Our crew.



# Growing leaders.

The search is not just about waves. It's about searching ourselves to be the best we can. At Rip Curl, our learning and development programmes are designed to help our crew grow into new roles and become better leaders.

This year, four Assistant Product Managers joined a programme that combined external leadership coaching with internal development. The programme was designed to provide skills and knowledge to move into their next roles within Rip Curl.

At Rip Curl, the Product Manager role requires crew to have a large and diverse skill set. They need to understand all aspects of the Rip Curl business to build strong relationships with suppliers, wholesalers and other contacts. The role requires team members to be agile and change ideas, orders or products at a moment's notice.

A development questionnaire at the beginning of the programme identifies areas of opportunity. This was supported with online training materials and one-on-one coaching sessions. They worked at their own pace through the course work and discussed learnings with their coach.

Internal training sessions were organised to provide the knowledge and understanding of our global business they would need to progress their careers at Rip Curl. During the programme, participants spent time with sales, retail and distribution centre teams to learn about the customer experience of their products. Participants submitted worksheets detailing their experience and learnings to their direct managers and the GM Product.

At the end of the programme, 360° feedback was collected and delivered along with a discussion about their future progression at Rip Curl. Feedback was also gathered from the participants to be used when creating future leadership programmes at Rip Curl.

Rip Curl Learning, Development and Communications Specialist Lauren Biehl says, "In the modern workplace, leaders are more than people managers. They need to create a vision to inspire their teams and provide support, communication and direction. During the last few months, the global pandemic has shown how crucial having good leaders is to a business."

"We developed this programme to give Assistant Product Managers the tools to reflect and learn to be better leaders. By giving them the support now, they will be able to continue to kick goals for Rip Curl."





Rip Curl worker Claire Dupont on a 'Summits of My Heart' charity climb.

# Traineeship programme searches for tomorrow's product managers.

Every 12-18 months, a junior Rip Curl employee is selected to take part in a 12-month traineeship programme in the product division. Trainees learn on the job from senior members of the team. They gain key skills in their division but also spend time learning about all aspects of the business. The programme's goal is to give the trainee all the skills and knowledge they need to step into an assistant product manager role.

Trainees rotate into different departments each month, where they spend time with crew and managers. This gives them a well-rounded understanding of the Rip Curl business and how each area interacts with the product division. At the end of each rotation, the trainee compiles a report on their learnings, which is shared with their direct manager and the GM Product.

The Learning, Development and Communications Specialist checks

in regularly to assess if any extra time with particular departments is needed.

At the end of the programme, the trainee's performance is reviewed by their direct manager and the GM Product. If there is an assistant product manager role available, trainees who have exceeded expectations are likely to be placed in this position.

## SUPPORTING THE PASSIONS OF OUR CREW

Claire Dupont works for Rip Curl France. She is the mother of 10-year-old Camille, who was born with a triatrial heart condition and had heart surgery as an infant.

"She suffered post-operative conditions and had to have a partial transplant," Claire says. "We won this war after a long fight. Today, I want to share this victory with all the people who have supported me."

Claire launched the Summits of My Heart project to raise money for children with cardiac conditions. Climbing 90 summits in the French Alps with fellow crew, well-known athletes and sometimes even her daughter, Claire raised 1 cent for each heartbeat – more than €90,000 so far. This has paid for two children to have heart surgery and has contributed to doctor training and supported 10 surgical centres.

Rip Curl has contributed to Claire's mission financially, physically (with crew joining Claire on five summits) and logistically with gear and by promoting the project on social media channels.

Claire says, "It's not a race and I'm not a top athlete. I am an outdoor lover with a strong heart, and this is a human outdoor adventure in support of children with a cardiac condition."

## CREW PROFILE: HARRY - TRAINEE PROGRAMME

Harry worked for Rip Curl in retail before applying to the trainee programme, where he is learning the ropes on his path to becoming a Product Manager.

He spent time in the warehouse, with the sourcing and development team, with purchasing and planning and then in sales before Covid-19 interrupted the schedule.

"It's very hands on. You have to follow crew around the office so it's been a bit hard lately," Harry says.

Harry says the programme has been a huge benefit. "Being a product manager, you have to have good knowledge of the business as a whole. It's also helped me create relationships and friendships – knowing people and their roles has been a huge benefit."

His monthly reports document what he's learned but also provide an opportunity to suggest improvements that he or other departments would like to see implemented.

Harry is hoping to secure a product manager role when his traineeship is finished.

"I've always wanted to work in the surf industry, and I've really connected with the brand values at Rip Curl. The product manager role is massive. You're there from the start to finish, and you're responsible for making sure the product is up to Rip Curl standards. Every day is different, and you get to work with lots of different people – that's what I love about it."

Harry says that being able to see his career path is important.

"To be able to see where I am and where I could finish is huge. It's something to work towards."



Harry Mann wearing the Rip Curl Fadeout Tee, enjoying a post surf coffee at Flume Beach.

## COMMITTED CREW: EQUAL OPPORTUNITY WORKPLACE

Last year, one of the stores in our subsidiary retailer Ozmosis collaborated with Ticket to Work to support vision-impaired secondary student Danielle with her first employment opportunity.

Danielle joined the Ticket to Work programme after being recommended by her learning mentor. The programme helps students work up résumés, practise doing interviews and tour different industries.

Ozmosis Leopold store took Danielle on. Her manager Kristie says, "We love having Danielle as part of our team. We have seen her grow so much in confidence."

Danielle says, "I feel pretty proud of myself for getting a job, and I feel good going to work."

Her teachers say her school work has improved, and her grandmother says she now has the confidence to do anything she wants. "Feeling like you're really worthwhile. You can't teach that. You can't buy that."

You can only experience it."

Programme directors say employment helps kids like Danielle to grow and be more independent and happier.

Danielle is still employed at Ozmosis Leopold.



Danielle joined the Ticket to Work programme collaboration with Ozmosis after being recommended by her learning mentor.



# Sustainability Report 2020: Appendices









TABLE 1: GRI GENERAL STANDARD DISCLOSURES

IND.	DESCRIPTION	REFERENCE	PAGE #	NOTES
<b>ORGANISATIONAL PROFILE</b>				
102 - 1	Name of the organisation	Cover page	1	Kathmandu Pty Limited, Kathmandu Limited and Kathmandu UK Limited. For all Kathmandu Holdings subsidiaries see page 63 of the 2020 Annual report.
102 - 2	Activities, brands, products and services	Introduction		Kathmandu is an outdoor lifestyle and adventure brand. We sell our own branded gear including other brands through our online, retail and wholesale network.
102 - 3	Location of headquarters	Our world	16-17	Kathmandu Head Office, 223 Tuam Street, Christchurch 8011, New Zealand.
102 - 4	Location of operations	Our world	16-17	—
102 - 5	Ownership and legal form	This appendix	This appendix	Kathmandu is a publicly listed company. For more information, please see page 78 in our 2020 Annual Report.
102 - 6	Markets served	Our world, this appendix	16-17	Kathmandu sells products through our store network in Australia, New Zealand and the UK. We also sell online and have begun to sell through wholesale partners internationally.
102 - 7	Scale of the organisation	Our world, Our team Annual Report 2020	16-17 54-61	For full financial disclosures, please see from page 23 in our Annual Report 2020.
102 - 8	Information on employees and other workers	Our team, this appendix	54-61 Table 7 on pg 141	—
102 - 9	Supply chain	Our world, Our suppliers, Our products	16-17 18-23 24-35	—
102 - 10	Significant changes to the organisation and its supply chain	Our world, Our suppliers, Our products	16-17 18-23 24-35	—
102 - 11	Precautionary principle approach	Our suppliers, customer health and safety, Our footprint	18-23 24-35 36-45	We use a precautionary approach across each department of the business to ensure we do not harm the environment or people.
102 - 12	External initiatives	Our journey	10-17	We collaborate with specialist organisations to support our sustainability strategy and outputs. Collaboration is absolutely core to our development as a business.
102 - 13	Membership of associations	Our journey, Our suppliers, Our products, Our footprint, Our community	14-15	Collaboration is fundamental to our sustainability strategy and programme. Without our memberships, we would not understand the complexities of our impacts and outreach to global initiatives and communities.
<b>STRATEGY</b>				
102 - 14	Statements from senior decision maker	Chairman and CEO report	3	—
<b>ETHICS AND INTEGRITY</b>				
102 - 16	Values, principles, standards, and norms of behaviour	Our team	56-57	See our <a href="#">Code of Conduct</a>

IND.	DESCRIPTION	REFERENCE	PAGE #	NOTES
<b>GOVERNANCE</b>				
102 - 18	Governance and structure	Annual Report 2020	Annual Report 2020	The Board guides the overall governance of our organisation. Please from page 78 in our 2020 Annual Report for more information on our governance and structure.
<b>STAKEHOLDER ENGAGEMENT</b>				
102 - 40	List of stakeholder groups	Our journey, Our stakeholders table	14-15 Table 3 on pg 138	—
102 - 41	Collective bargaining agreements	This appendix	Table 10 on pg 142	—
102 - 42	Identifying and selecting stakeholders	Our journey, Our stakeholders table	—	—
102 - 43	Approach to stakeholder engagement	Our journey, Our stakeholders table	14-15 Tables 3 & 4 on pg 138-139	—
102 - 44	Key topics and concerns raised	Our journey, Our stakeholders table	14-15 Tables 3 & 4 on pg 138-139	—
<b>REPORTING PRACTICE</b>				
102 - 45	Entities included in the consolidated financial statements	Annual Report 2020	—	Kathmandu Pty Limited, Kathmandu Limited and Kathmandu UK Limited. For all Kathmandu Holdings subsidiaries see page 63 of the 2020 Annual report.
102 - 46	Defining content and topic boundaries	Our journey, Our stakeholders table, Our Impacts table	10-17 Tables 3 & 4 on pg 138-139	—
102 - 47	List of material topics	Our journey, Our stakeholders table, Our Impacts table	10-17 Tables 3 & 4 on pg 138-139	—
102 - 48	Restatements of information	This appendix	—	No restatement this year.
102 - 49	Changes in reporting	This appendix	—	This is our fourth year using the new GRI Standards reporting framework.
102 - 50	Reporting period	This appendix	—	1 August 2019 to 31 July 2020.
102 - 51	Date of most recent report	This appendix	—	Kathmandu Holdings Sustainability Report 2020 01/08/2019 — 31/07/2020
102 - 52	Reporting cycle	This appendix	—	Annual (01/08/2019 — 31/07/2020).
102 - 53	Contact point for questions regarding the report	This appendix	—	Olivia Barclay olivia.barclay@kathmandu.co.nz
102 - 54	Claims of reporting in accordance with the GRI standards	—	—	This report has been prepared in accordance with the GRI Standards Core option.
102 - 55	GRI content index	This appendix	—	—
102 - 56	External assurance	This appendix	—	Kathmandu has adopted numerous certifications, partnerships and programmes that verify our various sustainability initiatives. This report has not been externally assured.



TABLE 2: GRI TOPICS

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	16-17 18-23 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>407 - 1:</b> Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk.	Our suppliers	18-23	78% of our suppliers are in China. Due to the communist government, individual worker rights including freedom of association and collective bargaining are inevitably at risk. Collective bargaining is almost unheard of, and independent unions do not typically have any real power to leverage change in wages or working conditions. Updating our code of conduct and terms of trade documents; creating a new CSR strategy that puts more emphasis on performance and partnership and less emphasis on policing and compliance; investing in a new CSR professional services company specialising in sustainability and supply chain analytics; designing and implementing customised programmes that reflect our unique supply chain; worker surveys and improved grievance mechanisms; supplier training and education.
<b>GRI 408: CHILD LABOUR</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	16-17 18-23 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>408 - 1:</b> Operations and suppliers at significant risk for incidents of child labour	Our suppliers	18-23	Child labour is common in the international apparel industry, especially in Tier 2 and 3. We created and implemented a mandatory child labour and forced labour policy company wide. We also have a partnership with a consultancy specialising in advising businesses in child rights and improving the lives of children in supply chains across Asia.
<b>GRI 409: FORCED OR COMPULSORY LABOUR</b>			
<b>GRI 103:</b> Management Approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	16-17 18-23 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>409 - 1:</b> Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour	Our suppliers	18-23	Forced labour is still common in the international apparel industry. Migrant workers are especially vulnerable to forced labour. China, Taiwan, Vietnam, India and Indonesia are all high risk for forced labour and these are all areas from where we source our product. We created and implemented a mandatory child labour and forced labour policy company wide. We also invested in a new CSR professional services company specialising in sustainability and supply chain analytics with the ability to access worker voice through social media, effective grievance mechanisms and anonymous worker surveys.

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	16-17 18-23 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>412 - 1:</b> Operations that have been subject to human rights reviews or impact assessments	Our suppliers	18-23	Nil.
<b>412 - 2:</b> Employee training on human rights policies or procedures	Our suppliers	18-23	680 hours of training and around 50% of Head Office staff have received the training.
<b>412 - 3:</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Our suppliers	18-23	Every one of our 99 factories has to enter into an agreement with Kathmandu, which includes signing and agreeing to abide by and be assessed against our code of conduct. A significant investment includes any and every supplier because no matter how much we spend with a supplier, our commitment to our stakeholders and shareholders is to invest our resources into our supply chain to ensure that human rights are protected.
<b>GRI 412: SUPPLIER SOCIAL ASSESSMENT</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	10-19 18-23 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>414 - 1:</b> New suppliers that were screened using social criteria	Our suppliers	18-23	100%
<b>414 - 2:</b> Negative social impacts in the supply chain and actions taken	Our suppliers	18-23	12 audits conducted in FY20 prior to Covid-19, which required greater sharing and acceptance of copy audits (35 accepted). Four suppliers were identified as having significant actual and potential negative social impacts. They participated in remediation, training and improvement actions as a result.
<b>GRI 301: MATERIALS</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our products	16-17 24-35 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>No indicator</b>			We do not collect recycled materials as a percentage according to topic indicator requirements. We collect data and information in accordance with the Higg Index and Textile Exchange reports.
<b>GRI 303: WATER</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	16-17 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140



TABLE 2: GRI TOPICS (CONTINUED):

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our products	16-17 24-35 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>GRI 416 - 2:</b> Incidents of non-compliance concerning the health and safety impacts of products and services		35	Kathmandu takes customer health and safety seriously. Kathmandu has implemented practices to safeguard the wellbeing of its customers while in store and using their purchased products. Any health and safety-related incidents are treated as high priority and investigated accordingly with the appropriate corrective action to prevent reoccurrence.
<b>GRI 418: CUSTOMER PRIVACY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our products	16-17 24-35 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>GRI 418 - 1:</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data			This year there was no substantiated complaints in regards to breaches of customer privacy and losses of customer data.
<b>GRI 305: EMISSIONS</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our footprint	16-17 36-45
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>GRI 305 - 2:</b> Energy indirect (Scope 2) GHG emissions	Our footprint	36-45	We account for our greenhouse gas (GHG) emissions in alignment with the Greenhouse Gas Protocol. Our emission figures are derived from Scope 2 purchased electricity usage across our stores, distribution centres and support offices. Our emissions factors are sourced from government GHG reporting guidance documents published in each jurisdiction that we operate in. Our FY19 - FY20 Scope 2 emissions have been audited by Toitū Envirocare and certified under the carbonreduce programme.
<b>GRI 305 - 3:</b> Other indirect (Scope 3) GHG emissions	Our footprint	36-45	We have aligned our Scope 3 emissions quantification with the Higg Index scoring requirements. We used the carbonreduce software platform to calculate our Scope 3 emissions using the certification's latest emission factors. Our FY19 - FY20 emissions have been audited by Toitū Envirocare and certified under the carbonreduce programme.
<b>GRI 305 - 4:</b> GHG emissions intensity	Our footprint	36-45	Scope 2 emissions are measured and tracked per store.
<b>GRI 306: WASTE</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our footprint	16-17 36-45 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>GRI 306 - 2:</b> Waste by type and disposal method		44-45	

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 401: EMPLOYMENT</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our team	16-17 54-61 Table 4 on pg 139
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>GRI 401 - 1:</b> New employee hires and employee turnover			Table 8 on pg 142
<b>GRI 401 - 2:</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees.			Table 6 on pg 141
<b>GRI 401 - 3:</b> Parental leave			Table 9 on pg 142
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our team	16-17 54-61 Table 11 on pg 143
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>GRI 403 - 1:</b> Worker representation in formal joint management-worker health and safety committees			Table 5 on pg 140
<b>GRI 403 - 9:</b> Work-related injuries			Table 13 on pg 144
<b>GRI 403 - 10:</b> Work-related ill health			Table 12 on pg 143
<b>GRI 404: TRAINING AND EDUCATION</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our team	16-17 54-61
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>GRI 404 - 2:</b> Programmes for upgrading employee skills and transition assistance programmes			54-61
<b>GRI 404 - 3:</b> Percentage of employees receiving regular performance and career development reviews			54-61 Table 5 on pg 140
			There were no end-of-year reviews undertaken due to Covid-19 impacts on the business. All staff prepared a development plan for the year and had a mid-year review (see Table 14 for Kathmandu figures on page 144).
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our team	10-17 54-61
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 140
<b>GRI 405 - 1:</b> Diversity of governance bodies and employees			54-61 Tables 15 & 16 on page 145



TABLE 3: OUR STAKEHOLDERS

STAKEHOLDER GROUP	ENGAGEMENT MECHANISM	FREQUENCY OF ENGAGEMENT	KEY ISSUES RAISED
<b>Customers</b>	<ul style="list-style-type: none"> <li>– Social media</li> <li>– Customer insights</li> <li>– In our stores</li> <li>– Our website</li> <li>– Via our customer services team</li> <li>– Summit Club member communication</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Animal welfare</li> <li>– Waste management</li> <li>– Community investment opportunities and sponsorship</li> <li>– Human rights in our supply chain</li> <li>– Product care and repair</li> <li>– Microfibres</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>– Performance mechanisms</li> <li>– Questionnaire and surveys</li> <li>– Dream Team meetings</li> <li>– Other engagement committees</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Health and safety</li> <li>– Waste management</li> <li>– Training</li> <li>– Sustainability leadership</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>– Meetings</li> <li>– Site visits</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Fair and open procurement practices</li> <li>– Fair working conditions</li> <li>– Environmental impacts</li> <li>– Product quality and safety</li> </ul>
<b>Factories</b>	<ul style="list-style-type: none"> <li>– Meetings</li> <li>– Site visits</li> <li>– Audits</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Fair working conditions</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>– In our stores and offices</li> <li>– Community events</li> <li>– Social media</li> <li>– Website</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Our impact on communities</li> <li>– Social investment and sponsorship</li> </ul>
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>– Meetings</li> <li>– Reports</li> <li>– Site visits</li> </ul>	Quarterly and as required	<ul style="list-style-type: none"> <li>– Economic performance</li> <li>– Environmental impacts</li> <li>– Community impacts</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>– Our annual reports</li> <li>– Annual general meeting</li> <li>– ASX and NZX announcements</li> <li>– Website</li> <li>– Investor roadshows, briefing forums</li> </ul>	Quarterly and as required	<ul style="list-style-type: none"> <li>– Economic performance</li> <li>– All sustainability material issues</li> </ul>
<b>Industry associations</b>	<ul style="list-style-type: none"> <li>– Meetings</li> <li>– Reports</li> <li>– Workshops</li> </ul>	Annually	<ul style="list-style-type: none"> <li>– Environmental impacts</li> <li>– Community impacts</li> <li>– Human rights in our supply chain</li> </ul>
<b>Investment community</b>	<ul style="list-style-type: none"> <li>– ASX announcements</li> <li>– Website</li> <li>– Investor briefings and forums</li> </ul>	Quarterly and as required	<ul style="list-style-type: none"> <li>– ESG performance</li> </ul>
<b>Civil society and community organisations</b>	<ul style="list-style-type: none"> <li>– Social media</li> <li>– Requests for information</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Human rights in our supply chain</li> <li>– Environmental impacts</li> <li>– Fair working conditions</li> <li>– Product materials stewardship</li> <li>– Supplier management</li> </ul>

TABLE 4: OUR IMPACTS: WHERE DO THEY OCCUR?

Material topics were selected based on their importance to stakeholders and significance of impacts. The selection of material topics followed the GRI Standards (101) Materiality Principle.

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



TABLE 5: MANAGEMENT APPROACH

TOPIC	POLICIES AND MANAGEMENT	ACTIVITIES	EVALUATION	ACCOUNTABLE DEPARTMENT
Workers' rights: freedom of association and collective bargaining, child labour, forced or compulsory labour, human rights assessment, supplier social assessment	Supplier code of conduct	We are members of the Fair Labour Association. Its 10 principles guide our Corporate Social Responsibility team's strategy working towards accreditation in 2018. The 10 principles and strategy corroborates GRI's workers' rights indicators, which we respond to.	We assess our programme against the 10 FLA principles to ensure our programme is comprehensive for accreditation. We recently evolved our CSR strategy based on the evaluation process.	Quality and CSR
Materials, water	Azo Dyes Policy, Down Feather Policy, Leather Policy, Uzbek Cotton Policy, Nano-Silver Technology Statement of Intent, Perfluorinated Chemicals Statement of Intent, Sheep Mulesing Statement of Intent, Man-Made Cellulosics Policy, Restricted Substances List.	Our materials priority list guides our materials sustainability strategy.	We participate in the Textile Exchange report rankings. We use the Higg Index as a key driver for better materials.	Product
Customer health and safety	We research and complete all compliance requirements before entering new products into the market.	Our quality department reviews products before entering the market. Market compliance research.	We review our research and completion processes to achieve continuous improvement.	Quality
Customer privacy	We have a stringent policy and process to protect the privacy of our Summit Club members and online account customers.	Our relevant customer services team are briefed on the details of the policy to ensure no breaches are made. Communication is highly prioritised with the customer following any incidents.	Reviews are completed on any incidents to achieve continuous improvement.	Customer Services
Waste	We issued a zero-waste to landfill by 2025 strategy in 2019. This strategy is core to the management approach.	We engage with all key stakeholders internally and externally in managing our operational waste.	We review our strategy goals and objectives twice a year to evaluate how we are managing waste.	Brand, Finance, Retail Operations
Carbon emissions	We have a goal to reduce our Scope 2 emissions per store by 20% by 2020 from 2012 levels. We have issued a carbon strategy that aligns with the carbonreduce certification. We are also using the Higg Index as a guideline for understanding our Scope 3 emissions.	We report annually to the Carbon Disclosure Project. We annually offset our business staff air travel at a local offsetting and conservation project in Australia. Using the Higg Index.	We evaluate main sources of energy usage across Scope 2 and 3 areas.	Brand, Finance, Retail Operations
Team development: new employee hires and turnover, benefits for full-time employees, parental leave, occupational health and safety, training and education, diversity, equal opportunity	As part of our People Plan strategy, we integrate these material topics as part of our continuous improvement management approach.	We engage with all key stakeholders internally and externally in managing our strategy.	We conduct interviews and surveys as a way to inform our strategy approach.	Human Resources

TABLE 6: EMPLOYMENT

BENEFITS THAT ARE STANDARD FOR FULL-TIME EMPLOYEES OF THE ORGANISATION BUT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES	
Life insurance	
Health care	New Zealand staff only, not offered to part-time store employees
Disability and invalidity	
Parental leave	
Retirement provision	
Stock ownership	Yes - wider leadership team only
Others	

TABLE 7: INFORMATION ON EMPLOYEES AND OTHER WORKERS

	AUSTRALIA	NEW ZEALAND	UK	TOTAL
<b>BY EMPLOYMENT TYPE</b>				
Full-time employees	384	299	1	684
Part-time employees	552	273	0	825
Casual	288	56	0	344
<b>Total employees</b>	<b>1,224</b>	<b>628</b>	<b>1</b>	<b>1,853</b>
<b>BY CONTRACT TYPE</b>				
Permanent	843	540	1	1,384
Fixed-term full-time	53	4	0	57
Fixed-term part-time	40	28	0	68
Casual	288	56	0	344
<b>Total workforce</b>	<b>1,224</b>	<b>628</b>	<b>1</b>	<b>1,853</b>
<b>BY GENDER</b>				
Male	522	226	0	748
Female	702	402	1	1,105
<b>BY AGE GROUP</b>				
<30	710	307	0	1,017
30-50	398	264	1	663
50+	116	57	0	173
<b>BY CATEGORY</b>				
Executive	2	4	0	6
Senior management	15	33	0	48
Management	328	177	0	505
Non-management	879	414	1	1,294



**TABLE 8: HIRING AND TURNOVER**

		AUS	NZ	UK
<b>NEW HIRES</b>				
<b>Permanent</b>	<b>Total</b>	161	122	0
<b>Indefinite</b>	<b>Total</b>	140	98	0
<b>BY GENDER</b>				
<b>Permanent</b>	<b>Male</b>	74	46	0
<b>Permanent</b>	<b>Female</b>	87	76	0
<b>Indefinite</b>	<b>Male</b>	67	37	0
<b>Indefinite</b>	<b>Female</b>	73	61	0
<b>BY AGE GROUP</b>				
<b>Permanent</b>	<b>&lt;30</b>	104	85	0
<b>Permanent</b>	<b>30-50</b>	52	36	0
<b>Permanent</b>	<b>50+</b>	5	1	0
<b>Indefinite</b>	<b>&lt;30</b>	90	65	0
<b>Indefinite</b>	<b>30-50</b>	46	31	0
<b>Indefinite</b>	<b>50+</b>	4	2	0

		AUS	NZ	UK
<b>TURNOVER</b>				
<b>Permanent</b>	<b>Total</b>	516	287	9
<b>Indefinite</b>	<b>Total</b>	311	157	9
<b>BY GENDER</b>				
<b>Permanent</b>	<b>Male</b>	217	123	8
<b>Permanent</b>	<b>Female</b>	299	164	1
<b>Indefinite</b>	<b>Male</b>	129	58	8
<b>Indefinite</b>	<b>Female</b>	182	99	1
<b>BY AGE GROUP</b>				
<b>Permanent</b>	<b>&lt;30</b>	365	194	3
<b>Permanent</b>	<b>30-50</b>	127	76	5
<b>Permanent</b>	<b>50+</b>	24	17	1
<b>Indefinite</b>	<b>&lt;30</b>	194	99	3
<b>Indefinite</b>	<b>30-50</b>	97	45	5
<b>Indefinite</b>	<b>50+</b>	20	13	1

**TABLE 9: PARENTAL LEAVE**

		MALE	FEMALE
1	Report the number of employees by gender who were entitled to parental leave.	602	875
2	Report the number of employees by gender who took parental leave.	2	57
3	Report the number of employees who returned to work after parental leave ended, by gender.	2	45
4	Report the number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work, by gender.	2	14
5	Report the return to work rate of employees who returned to work after leave ended, by gender.	100%	79%
6	Report the retention rate of employees who returned to work after leave ended, by gender.	70%	80%

**TABLE 10: COLLECTIVE BARGAINING AGREEMENTS**

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

**TABLE 11: OCCUPATIONAL HEALTH AND SAFETY**

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	
<p><b>A statement of whether an occupational health and safety management system has been implemented, including whether:</b></p> <p><b>i. the system has been implemented because of legal requirements and, if so, a list of the requirements</b></p> <p><b>ii. the system has been implemented based on recognised risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines</b></p>	<p>Health and safety management system has been implemented because of legal requirements:</p> <ul style="list-style-type: none"> <li>• Model Work Health and Safety (WHS) Act</li> <li>• Model WHS Regulations</li> <li>• Model Codes of Practice</li> <li>• Occupational Health and Safety Act 2004 (Vic)</li> <li>• Occupational Health and Safety Regulations 2017 (Vic)</li> <li>• Health and Safety at Work Act (HSWA) 2015</li> <li>• Occupational Safety and Health Act (United States)</li> </ul> <p>Kathmandu is transitioning to the International Safety Standard ISO 45001 over the next 18 months.</p>
<p><b>A description of the scope of workers, activities and workplaces covered by the occupational health and safety management system and an explanation of whether and, if so, why any workers, activities or workplaces are not covered</b></p>	<p>Scope of workers - support offices, distribution centres, stores, casual, part-time, full-time, fixed-term.</p> <p>Activities include-logistics, administration, customer service and sales, stock management, manual handling, staff management, product management.</p>

**TABLE 12: WORK-RELATED ILL HEALTH**

ALL EMPLOYEES	
Number of fatalities as a result of work-related ill health	0
Number of cases of recordable work-related ill health	0
Main types of work-related ill health	N/A
ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANISATION	
Number of fatalities as a result of work-related ill health	0
Number of cases of recordable work-related ill health	0
Main types of work-related ill health	N/A
WORK-RELATED HAZARDS THAT POSE A RISK OF HIGH-CONSEQUENCE INJURY	
How these hazards have been determined	Near-miss and incident reporting, risk assessments
Which of these hazards have caused or contributed to cases of ill health during the reporting period	Manual handling
Actions taken or under way to eliminate these hazards and minimise risks using the hierarchy of controls	Multiple
WHETHER AND, IF SO, WHY ANY WORKERS HAVE BEEN EXCLUDED FROM THIS DISCLOSURE, INCLUDING THE TYPES OF WORKER EXCLUDED	
Workers that have been excluded from the disclosure	0
ANY CONTEXTUAL INFORMATION NECESSARY TO UNDERSTAND HOW THE DATA HAS BEEN COMPILED, SUCH AS ANY STANDARDS, METHODOLOGIES AND ASSUMPTIONS USED	



TABLE 13: WORK-RELATED INJURIES

FOR ALL EMPLOYEES	
Number of fatalities as a result of work-related injury	0
Number of high consequence work related injuries (excluding fatalities)	2
Number and rate of recordable work-related injuries	129
Main types of work-related injury	Bruising/swelling, cuts, sprains, strains.
FOR ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANISATION:	
Number and rate of fatalities as a result of work-related injury	0
Number and rate of high-consequence work-related injuries (excluding fatalities)	0
Number and rate of recordable work-related injuries	1
Main types of work-related injury	Cut finger
Number of hours worked	Unable to calculate hours for contractors.
WORK-RELATED HAZARDS THAT POSE A RISK OF HIGH-CONSEQUENCE INJURY	
How these hazards have been determined	Near-miss incidents
Which hazards have caused or contributed to cases of injury during the reporting period	0
Actions taken or under-way to eliminate these hazards and minimise risks using the hierarchy of controls	Engineering controls, administrative controls, substitution.
ACTIONS TAKEN OR UNDER WAY TO ELIMINATE THESE HAZARDS AND MINIMISE RISKS USING THE HIERARCHY OF CONTROLS	
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked	N/A - no rates calculated
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded	N/A
Any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies and assumptions used	N/A

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

	EXECUTIVE	SENIOR MANAGEMENT	MANAGEMENT	NON-MANAGEMENT	TOTAL
Number of employees receiving performance reviews/appraisals	6	46	398	956	<b>1,406</b>
Male	4	30	179	344	<b>557</b>
Female	2	16	219	612	<b>849</b>
Total number of employees	6	48	505	1,294	<b>1,853</b>
Percentage of employees receiving performance reviews/appraisals	100%	96%	79%	74%	<b>76%</b>

\* There were no end-of-year reviews undertaken due to Covid-19 impacts on the business. All staff prepared a development plan for the year and had a mid-year review. These numbers are taken from Kathmandu's mid-year reviews.

TABLE 15: DIVERSITY

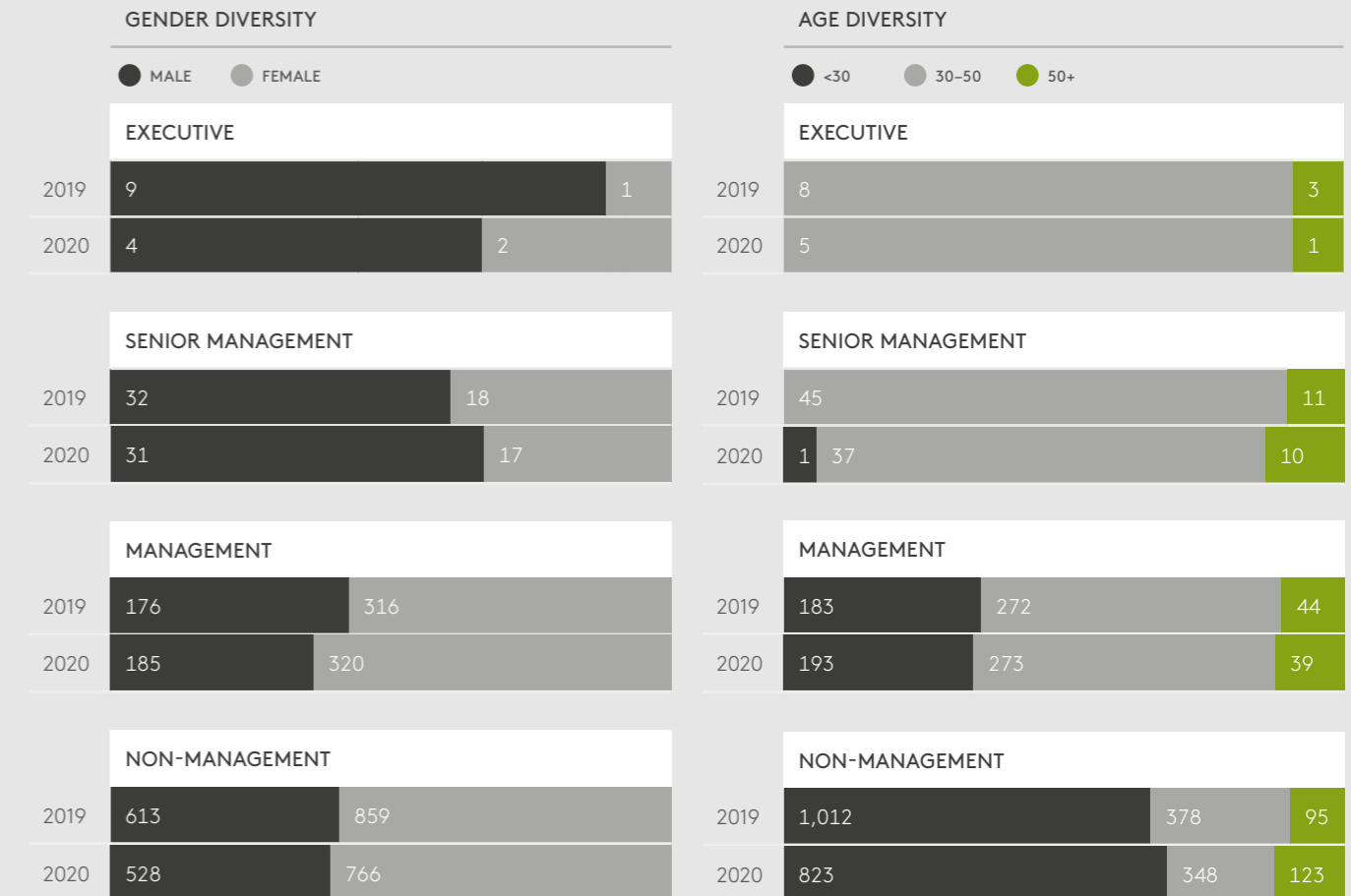
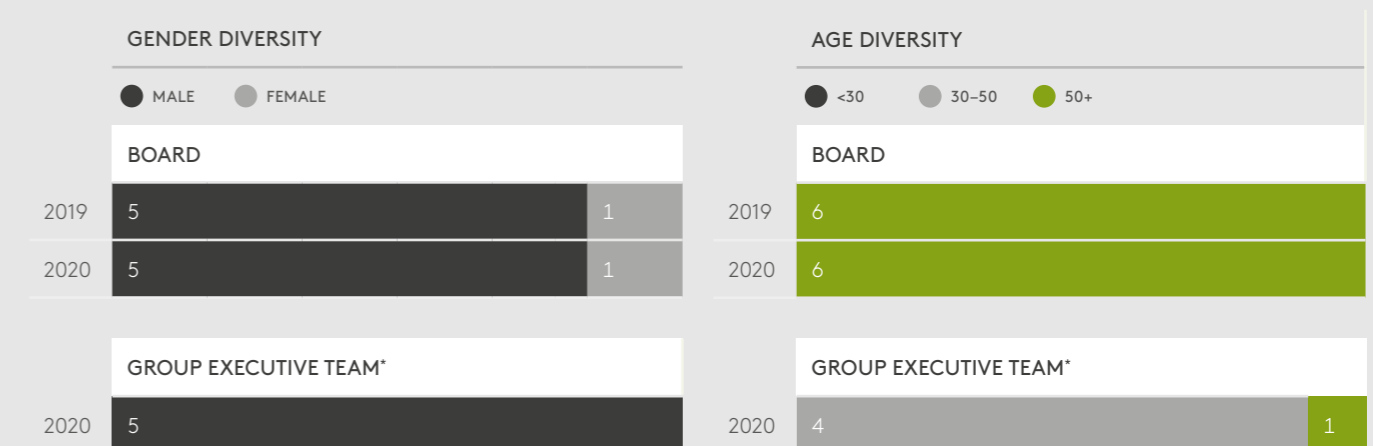


TABLE 16: DIVERSITY (KATHMANDU HOLDINGS BOARD AND GROUP EXEC.)



\* Kathmandu Holdings Limited executive team was established in FY20 after the acquisition of Rip Curl.



**Obōz**<sup>®</sup>  
FOOTWEAR



TABLE 1: GRI GENERAL STANDARD DISCLOSURES

IND.	DESCRIPTION	REFERENCE	PAGE #	NOTES
<b>ORGANISATIONAL PROFILE</b>				
102 - 1	Name of the organisation	Cover page	1	Oboz Footwear LLC. For all Kathmandu Holdings subsidiaries see page 63 of the 2020 Annual Report.
102 - 2	Activities, brands, products and services	Introduction		Oboz is a leading North American brand of handmade outdoor footwear. We sell our own branded footwear through our wholesale network.
102 - 3	Location of headquarters	Our world	68-69	201 South Wallace Suite A-1 Bozeman, Montana, United States of America
102 - 4	Location of operations	Our world	68-69	—
102 - 5	Ownership and legal form	This appendix	68-69	Oboz is a publicly listed company. For more information, please see from page 78 in our Annual Report 2020.
102 - 6	Markets served	Our world, this appendix		Oboz sells products through our wholesale network in the United States, New Zealand, Australia, United Kingdom, Taiwan, Canada and Japan.
102 - 7	Scale of the organisation	Our world, Our team. Annual Report 2020	68-69 90-93	For full financial disclosures, please see page 23 in our Annual Report 2020.
102 - 8	Information on employees and other workers	Our team, this appendix	90-93 Table 7 on pg 157	—
102 - 9	Supply chain	Our world, Our suppliers, Our products	68-69 72-75 76-79	—
102 - 10	Significant changes to the organisation and its supply chain	Our world, Our suppliers, Our products	68-69 72-75 76-79	—
102 - 11	Precautionary principle approach	Our suppliers, Customer health and safety, Our footprint	64-71 72-75 76-79	We use a precautionary approach across each department of the business to ensure we do not harm the environment or people.
102 - 12	External initiatives	Our partners	70-71	We are starting our journey of collaborating with external specialist organisations and Kathmandu Limited to support our sustainability strategy and impacts.
102 - 13	Membership of associations	Our journey, Our suppliers, Our products, Our footprint, Our community	70-71	Collaboration will drive our future three year sustainability strategy. Our current memberships allow us to understand the complexities of some of our impacts.
<b>STRATEGY</b>				
102 - 14	Statements from senior decision maker	Chairman and CEO report	3	—
<b>ETHICS AND INTEGRITY</b>				
102 - 16	Values, principles, standards, and norms of behaviour	Our team	90-93	See our <a href="#">Code of Conduct</a> .
<b>GOVERNANCE</b>				

102 - 18	Governance and structure	Annual Report 2020	Annual Report 2020	The Board guides the overall governance of our organisation. Please see from page 78 in our Annual Report 2020 for more information on our governance structure.
<b>IND. DESCRIPTION REFERENCE PAGE # NOTES</b>				
<b>STAKEHOLDER ENGAGEMENT</b>				
102 - 40	List of stakeholder groups	Our journey, Our stakeholders	64-71 Table 4 on pg 155	—
102 - 41	Collective bargaining agreements	This index	Table 10 on pg 159	—
102 - 42	Identifying and selecting stakeholders	Our journey, Our stakeholders	64-71	—
102 - 43	Approach to stakeholder engagement	Our journey, Our stakeholders	64-71 Tables 3 & 4 on pg 154-155	—
102 - 44	Key topics and concerns raised	Our Journey, Our stakeholders	64-71 Tables 3 & 4 on pg 154-155	—
<b>REPORTING PRACTICE</b>				
102 - 45	Entities included in the consolidated financial statements	Annual Report 2020	Annual Report 2020	Oboz Footwear LLC. For all Kathmandu Holdings subsidiaries see page 63 of the 2020 Annual report.
102 - 46	Defining content and topic boundaries	Our journey, Our stakeholders, Our impacts	64-71 Tables 3 & 4 on pg 154-155	—
102 - 47	List of material topics	Our journey, Our stakeholders, Our impacts	64-71 Tables 3 & 4 on pg 154-155	—
102 - 48	Restatements of information	This appendix	—	No restatement this year.
102 - 49	Changes in reporting	This appendix	—	This is our first year using the new GRI Standards reporting framework.
102 - 50	Reporting period	This appendix	—	1 August 2019 to 31 July 2020.
102 - 51	Date of most recent report	This appendix	—	Kathmandu Holdings Sustainability Report 2020 (01/08/2019 – 31/07/2020).
102 - 52	Reporting cycle	This appendix	—	Annual (01/08/2019 – 31/07/2020).
102 - 53	Contact point for questions regarding the report	This appendix	—	Amy Beck Abeck@obozfootwear.com
102 - 54	Claims of reporting in accordance with the GRI standards	Back cover	—	This report has been prepared in accordance with the GRI Standards Core option.
102 - 55	GRI content index	This appendix	—	—
102 - 56	External assurance	This appendix	—	Oboz is on the journey to expand our partnerships and programmes that verify our sustainability initiatives.



TABLE 2: GRI TOPICS

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 72-75 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>407 -1:</b> Operations and suppliers in which workers rights to exercise freedom of association or collective bargaining may be violated or at significance risk	Our suppliers	72-75	100% of our suppliers are in Vietnam. We are unclear on their ability to exercise freedom of association or collective bargaining. We have updated our code of conduct and terms of trade documents; created a new CSR strategy that puts more emphasis on performance and partnership and less emphasis on policing and compliance.
<b>GRI 408: CHILD LABOUR</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 72-75 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>408 - 1:</b> Operations and suppliers at significant risk for incidents of child labour	Our suppliers	72-75	Child labour is common in the international apparel and footwear industry, especially in Tier 2 and 3. We created and implemented a mandatory child labour and forced labour policy for all Tier 1 suppliers.
<b>GRI 409: FORCED OR COMPULSORY LABOUR</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 72-75 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>409 - 1:</b> Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour	Our suppliers	72-75	Forced labour is still common in the international apparel and footwear industry. Migrant workers are especially vulnerable to forced labour. Vietnam is high risk for forced labour and this is where our 3 factories are. Our suppliers have labour unions, therefore forced labour is highly uncommon.  Oboz created and implemented a mandatory child labour and forced labour policy company wide.
<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 72-75 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>412 - 1:</b> Operations that have been subject to human rights reviews or impact assessments	Our suppliers	Suppliers 72-75	
<b>412 - 2:</b> Employee training on human rights policies or procedures	Our suppliers	72-75	100% of head office staff were trained, which equated to 76 hours.

TOPIC	REFERENCE	PAGE #	NOTES
<b>412 - 3:</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Our suppliers	72-75	Every one of our three suppliers has to enter into an agreement with Oboz which includes signing and agreeing to abide by and be assessed against our Code of Conduct. A "significant investment" includes any and every supplier because no matter how much we spend with a supplier, our commitment to our stakeholders and shareholders is to invest our resources into our supply chain to ensure that human rights are protected.
<b>GRI 412: SUPPLIER SOCIAL ASSESSMENT</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 72-75 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>414 - 1:</b> New suppliers that were screened using social criteria	Our suppliers	72-75	100%
<b>414 - 2:</b> Negative social impacts in the supply chain and actions taken	Our suppliers	72-75	Our three factories were audited at the end of FY19 and corrective action plans were issued to each of them to be worked through in FY20.  Dieu Duc Viet Nam Co., Ltd Audited 31 May 2019 23 corrective action plans were issued  General Shoes Vietnam Audited 11 June 2019 15 corrective action plans were issued  Pouyuen Vietnam Company Audited 13 June 2019 5 corrective action plans were issued.
<b>GRI 301: MATERIALS</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 72-75 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>No indicator</b>			We do not collect recycled materials as a percentage according to topic indicator requirements.
<b>GRI 303: WATER</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 72-75 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>GRI 303 - 1:</b> Water withdrawal by source	Our products	76-79	



TABLE 2: GRI TOPICS (CONTINUED):

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 72-75 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>GRI 416 - 2:</b> Incidents of non-compliance concerning the health and safety impacts of products and services		79	We have not identified any non-compliance with regulations and/or voluntary codes.
<b>GRI 418: CUSTOMER PRIVACY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 72-75 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>GRI 418 - 1:</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data		—	This year there was no substantiated complaints in regards to breaches of customer privacy and losses of customer data.
<b>GRI 305: EMISSIONS</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 80-83 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>GRI 305 - 2:</b> Energy indirect (Scope 2) GHG emissions	Our footprint	80-83	Our emission figures are derived from Scope 2 purchased electricity usage from our support office.
<b>GRI 305 - 3:</b> Other indirect (Scope 3) GHG emissions		—	We do not measure our Scope 3 emissions.
<b>GRI 305 - 4:</b> GHG emissions intensity		—	We do not measure our emissions on an intensity basis.
<b>GRI 306: WASTE</b>			
<b>GRI 103:</b> Management Approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 80-83 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>GRI 306 - 2:</b> Waste by type and disposal method		—	We do not currently measure our waste footprint.
<b>GRI 401: EMPLOYMENT</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 90-93 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 401 - 1:</b> New employee hires and employee turnover		Table 8 on pg 158	
<b>GRI 401 - 3:</b> Parental leave		Table 9 on pg 158	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 90-93 Table 11 on pg 150
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>GRI 403 - 1:</b> Occupational health and safety management system		Table 12 on pg 159	
<b>GRI 403 - 4:</b> Worker representation in formal joint management-worker health and safety committees		Table 6 on pg 157	
<b>GRI 403 - 9:</b> Work-related injuries		90-93 Table 13 on pg 160	
<b>GRI 403 - 10:</b> Work-related ill health		90-93 Table 12 on pg 159	
<b>GRI 404: TRAINING AND EDUCATION</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 90-93
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>GRI 404 - 2:</b> Programmes for upgrading employee skills and transition assistance programmes		90-93	
<b>GRI 404 - 3:</b> Percentage of employees receiving regular performance and career development reviews		90-93	This year, there were no end-of-year reviews undertaken due to Covid-19 impacts on the business. All staff had prepared a development plan for the year.
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	64-71 90-93 Table 3 on pg 154
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 156
<b>GRI 405 - 1:</b> Diversity of governance bodies and employees		90-93 Tables 15 on pg 161 and Table 16 on pg 145	



TABLE 3: OUR IMPACTS: WHERE DO THEY OCCUR?

MATERIAL TOPIC IN ORDER OF PRIORITY	WHO IT APPLIES TO	WHERE IT APPLIES AND BOUNDARIES	LIMITATIONS
<b>OUR SUPPLIERS</b>			
<b>Freedom of association and collective bargaining</b>	Oboz factories	Our supply chain	—
<b>Child labour</b>	Oboz factories	Our supply chain	—
<b>Forced or compulsory labour</b>	Oboz factories	Our supply chain	—
<b>Supplier social assessments</b>	Oboz factories	Our supply chain	Not tracking.
<b>OUR PRODUCTS</b>			
<b>Materials</b>	Suppliers, Oboz	Our operations	Not tracking.
<b>Products and services</b>	Oboz, consumers	Our operations	Not tracking.
<b>Customer health and safety</b>	Oboz, consumers	Our operations	Not tracking.
<b>Product labelling</b>	Oboz, consumers	Our operations	—
<b>Water</b>	Suppliers, Oboz	Our operations	Not tracking.
<b>Marketing</b>	Oboz, consumers	Our operations	—
<b>Customer privacy</b>	Oboz, consumers	Our operations	—
<b>OUR FOOTPRINT</b>			
<b>Economic performance</b>	Oboz, investors	Our operations	Not tracking.
<b>Energy</b>	Oboz	Our operations and stores	Not tracking.
<b>Emissions</b>	Oboz	Our operations and stores	Not tracking.
<b>Waste</b>	Oboz, customers	Our operations and stores	Not tracking.
<b>Transport</b>	Oboz, supply chain	Our operations	We are currently tracking our team travel and our shipments from our factories.
<b>OUR TEAM</b>			
<b>Employment</b>	Oboz	Our operations	—
<b>Occupational health and safety</b>	Oboz	Our operations	—
<b>Training</b>	Oboz	Our operations	—
<b>Diversity and equal opportunity</b>	Oboz	Our operations	—

TABLE 4: OUR STAKEHOLDERS

STAKEHOLDER GROUP	ENGAGEMENT MECHANISM	FREQUENCY OF ENGAGEMENT	KEY ISSUES RAISED
<b>Customers</b>	<ul style="list-style-type: none"> <li>— Social media</li> <li>— Customer insights</li> <li>— Our website</li> <li>— Via our customer services team</li> <li>— Retailer insights</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>— Animal welfare</li> <li>— Waste management</li> <li>— Community investment opportunities and sponsorship</li> <li>— Human rights in our supply chain</li> <li>— Product care and repair</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>— Performance mechanisms</li> <li>— Questionnaire and surveys</li> <li>— Weekly company meetings</li> <li>— Other engagement committees</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>— Health and safety</li> <li>— Diversity and inclusion</li> <li>— Training</li> <li>— Sustainability leadership</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>— Meetings</li> <li>— Site visits</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>— Fair and open procurement practices</li> <li>— Fair working conditions</li> <li>— Environmental impacts</li> <li>— Product quality and safety</li> </ul>
<b>Factories</b>	<ul style="list-style-type: none"> <li>— Meetings</li> <li>— Site visits</li> <li>— Audits</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>— Fair working conditions</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>— In our stores and offices</li> <li>— Community events</li> <li>— Social media</li> <li>— Website</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>— Our impact on communities</li> <li>— Social investment and sponsorship</li> <li>— Commitment to sustainability and climate</li> </ul>
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>— Meetings</li> <li>— Reports</li> <li>— Site visits</li> </ul>	Quarterly and as required	<ul style="list-style-type: none"> <li>— Economic performance</li> <li>— Environmental impacts</li> <li>— Community impacts</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>— Our annual reports</li> <li>— Annual general meeting</li> <li>— ASX and NZX announcements</li> <li>— Website</li> <li>— Investor roadshows, briefing forums</li> </ul>	Quarterly and as required	<ul style="list-style-type: none"> <li>— Economic performance</li> <li>— All sustainability material issues</li> </ul>
<b>Industry associations</b>	<ul style="list-style-type: none"> <li>— Meetings</li> <li>— Reports</li> <li>— Workshops</li> </ul>	Annually	<ul style="list-style-type: none"> <li>— Environmental impacts</li> <li>— Community impacts</li> <li>— Human rights in our supply chain</li> </ul>
<b>Investment community</b>	<ul style="list-style-type: none"> <li>— ASX announcements</li> <li>— Website</li> <li>— Investor briefings and forums</li> </ul>	Quarterly and as required	<ul style="list-style-type: none"> <li>— ESG performance</li> </ul>
<b>Civil society and community organisations</b>	<ul style="list-style-type: none"> <li>— Social media</li> <li>— Requests for information</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>— Human rights in our supply chain</li> <li>— Environmental impacts</li> <li>— Fair working conditions</li> <li>— Product materials stewardship</li> <li>— Supplier management</li> </ul>



TABLE 5: MANAGEMENT APPROACH

TOPIC	POLICIES AND MANAGEMENT	ACTIVITIES	EVALUATION	ACCOUNTABLE DEPARTMENT
Workers' rights: freedom of association and collective bargaining, child labour, forced or compulsory labour, human rights assessment, supplier social assessment	Supplier code of conduct	We are members of the Fair Labour Association as part of Kathmandu. Their ten principles guide our Corporate Social Responsibility team's strategy working towards accreditation. The ten principles and strategy corroborates GRI's workers' rights indicators, which we respond to.	We assess our program against the ten FLA principles to ensure our programme is comprehensive for accreditation. We recently evolved our CSR strategy based on the evaluation process.	Operations and Product
Materials, water	Azo Dyes Policy, Down Feather Policy, Leather Policy, Uzbek Cotton Policy, Nano-Silver Technology Statement of Intent, Perfluorinated Chemicals Statement of Intent, Sheep Mulesing Statement of Intent, Man-Made Cellulosics Policy, Restricted Substances List.	Our materials priority list guides our materials sustainability strategy.	We participate in the Textile Exchange report rankings. We use the Higg Index as a key driver for better materials.	Product
Customer health and safety	We research and complete all compliance requirements before entering new products into the market.	Our quality department reviews products before entering the market. Market compliance research.	We review our research and completion processes to achieve continuous improvement.	Quality
Customer privacy	We are building a policy and process to protect the privacy of online account customers.	Our relevant customer services team are briefed on the details of the policy to ensure no breaches are made. Communication is highly prioritised with the customer following any incidents.	Reviews are completed on any incidents to achieve continuous improvement.	Customer Services
Team development: new employee hires and turnover, benefits for full-time employees, parental leave, occupational health and safety, training and education, diversity, equal opportunity	As part of our People Plan strategy, we integrate these material topics as part of our continuous improvement management approach.	We engage with all key stakeholders internally and externally in managing our strategy.	We conduct interviews and surveys as a way to inform our strategy approach.	Leadership Team

TABLE 6: EMPLOYMENT

BENEFITS THAT ARE STANDARD FOR FULL-TIME EMPLOYEES OF THE ORGANISATION BUT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES	
Life insurance	
Health-care	Yes
Disability and invalidity	
Parental leave	Yes
Retirement provision	
Stock ownership	Yes
Others	

TABLE 7: INFORMATION ON EMPLOYEES AND OTHER WORKERS

	TOTAL
<b>BY EMPLOYMENT TYPE</b>	
Full-time employees	27
Part-time employees	0
Casual	0
<b>Total employees</b>	<b>27</b>
<b>BY CONTRACT TYPE</b>	
Permanent	27
Fixed-term Full-time	0
Fixed-term Part-time	0
Casual	0
<b>Total workforce</b>	<b>27</b>
<b>BY GENDER</b>	
Male	16
Female	11
<b>BY AGE GROUP</b>	
<30	6
30-50	17
50+	4
<b>BY CATEGORY</b>	
Executive	1
Senior management	7
Management	5
Non-management	14



TABLE 8: HIRING AND TURNOVER

NEW HIRES			TURNOVER		
Permanent	Total	7	Permanent	Total	4
Indefinite	Total	7	Indefinite	Total	4
BY GENDER			BY GENDER		
Permanent	Male	2	Permanent	Male	3
Permanent	Female	5	Permanent	Female	1
Indefinite	Male	2	Indefinite	Male	3
Indefinite	Female	5	Indefinite	Female	1
BY AGE GROUP			BY AGE GROUP		
Permanent	<30	2	Permanent	<30	0
Permanent	30-50	5	Permanent	30-50	3
Permanent	50+	0	Permanent	50+	1
Indefinite	<30	2	Indefinite	<30	0
Indefinite	30-50	5	Indefinite	30-50	3
Indefinite	50+	0	Indefinite	50+	1

TABLE 9: PARENTAL LEAVE

	MALE	FEMALE
1 Report the number of employees by gender who were entitled to parental leave.	0	11
2 Report the number of employees by gender who took parental leave.	0	0
3 Report the number of employees who returned to work after parental leave ended, by gender.	0	0
4 Report the number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work, by gender.	0	0
5 Report the return to work rate of employees who returned to work after leave ended, by gender.	N/A	N/A
6 Report the retention rate of employees who returned to work after leave ended, by gender.	N/A	N/A

TABLE 10: COLLECTIVE BARGAINING AGREEMENTS

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

TABLE 11: OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	
<b>A statement of whether an occupational health and safety management system has been implemented, including whether:</b>	Health and safety management system has been implemented because of legal requirements: <ul style="list-style-type: none"> <li>Occupational Safety and Health Act (United States)</li> </ul>
<b>i. the system has been implemented because of legal requirements and, if so, a list of the requirements</b>	
<b>ii. the system has been implemented based on recognised risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines</b>	
<b>A description of the scope of workers, activities and workplaces covered by the occupational health and safety management system and an explanation of whether and, if so, why any workers, activities or workplaces are not covered</b>	Scope of workers - support offices, distribution centres, stores, casual, part-time, full-time, fixed-term.  Activities include administration, logistics, customer service, sales, stock management, manual handling, staff management, product management.

TABLE 12: WORK-RELATED ILL HEALTH

ALL EMPLOYEES	
Number of fatalities as a result of work-related ill health	0
Number of cases of recordable work-related ill health	0
Main types of work-related ill health	N/A
ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANISATION	
Number of fatalities as a result of work-related ill health	0
Number of cases of recordable work-related ill health	0
Main types of work-related ill health	N/A
WORK-RELATED HAZARDS THAT POSE A RISK OF HIGH-CONSEQUENCE INJURY	
How these hazards have been determined	Near-miss and incident reporting, risk assessments
Which of these hazards have caused or contributed to cases of ill health during the reporting period	N/A
Actions taken or under way to eliminate these hazards and minimize risks using the hierarchy of controls	N/A



**TABLE 12: WORK-RELATED ILL HEALTH (CONTINUED)**

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

**TABLE 13: WORK-RELATED INJURIES**

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

**TABLE 14: DIVERSITY**

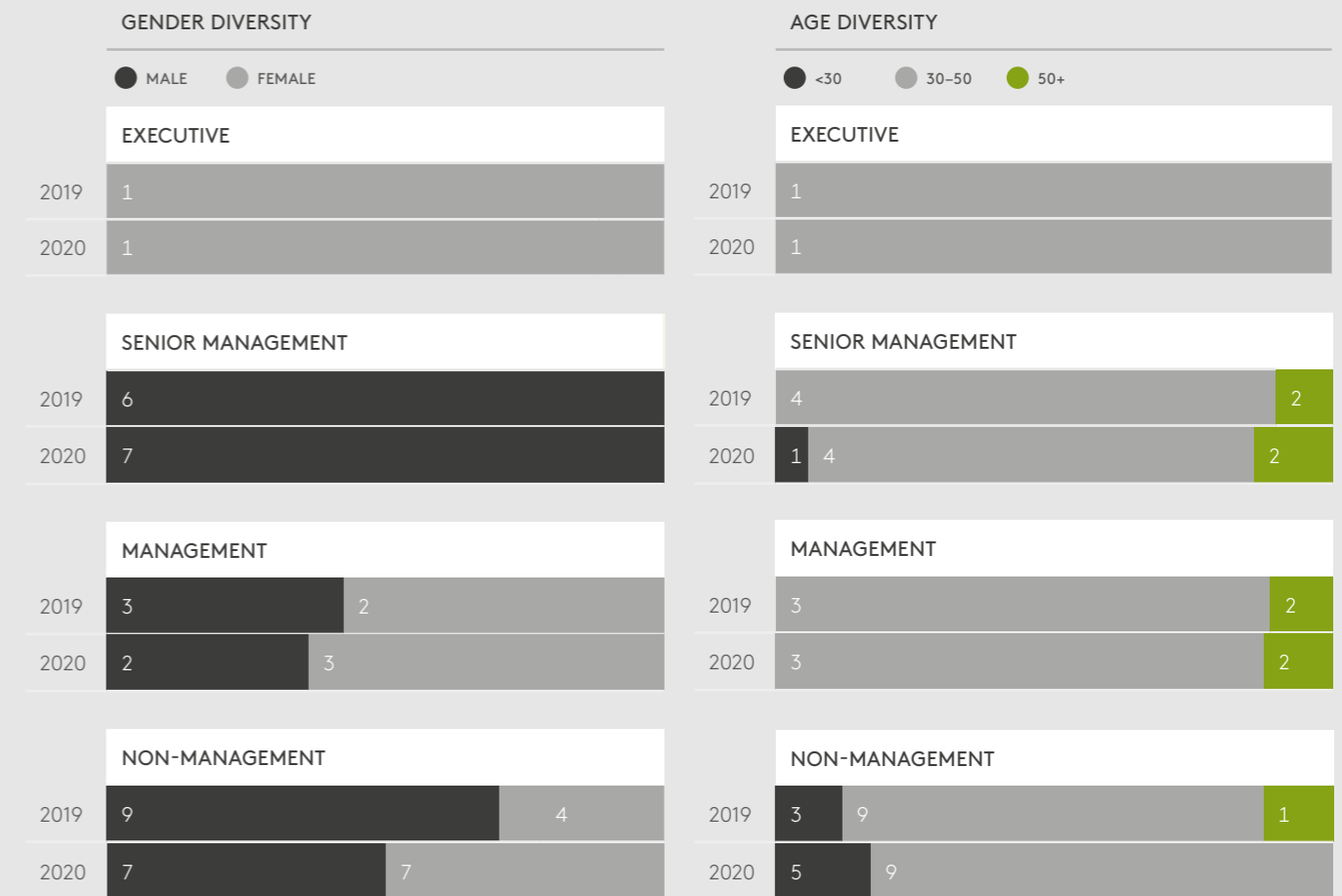








TABLE 1: GRI GENERAL STANDARD DISCLOSURES

IND.	DESCRIPTION	REFERENCE	PAGE #	NOTES
<b>ORGANISATIONAL PROFILE</b>				
102 - 1	Name of the organisation	Cover page	1	Rip Curl Group Pty Ltd. For all Kathmandu Holdings subsidiaries see page 63 of the 2020 Annual Report.
102 - 2	Activities, brands, products and services	Introduction	—	Rip Curl is a surfwear brand. We sell our branded gear through our online, retail and wholesale network globally.
102 - 3	Location of headquarters	Our world	100-101	101 Surfcoast Highway, Torquay VIC 3228.
102 - 4	Location of operations	Our world	100-101	—
102 - 5	Ownership and legal form	This appendix	This appendix	Rip Curl is a publicly listed company. For more information see from page 78 in our Annual Report 2020.
102 - 6	Markets served	Our world, this appendix	100-101	Rip Curl sells product globally through online, wholesale and our own retail store networks.
102 - 7	Scale of the organisation	Our world, Our crew. Annual Report 2020	100-101	For full financial disclosures please see from page 23 in our Annual Report 2020.
102 - 8	Information on employees and other workers	Our crew, This appendix	122-127 Table 7 on pg 174	—
102 - 9	Supply chain	Our world, Our suppliers, Our products	96-101 102-105 106-109	—
102 - 10	Significant changes to the organisation and its supply chain	Our world, Our suppliers, Our products	96-101 102-105 106-109	—
102 - 11	Precautionary principle approach	Our suppliers, Customer health and safety, Our footprint	102-105 106-109	We use a precautionary approach across each department of the business to ensure we do not harm the environment or people.
102 - 12	External initiatives	Our journey	105	We are reaching out to organisations that can support us on our sustainability journey.
102 - 13	Membership of associations	Our journey, Our suppliers, Our products, Our footprint, Our community, Our crew	105	We are looking into organisations to collaborate with on our sustainability journey.
<b>STRATEGY</b>				
102 - 14	Statements from senior decision-maker	Chairman and CEO report	98	—
<b>ETHICS AND INTEGRITY</b>				
102 - 16	Values, principles, standards, and norms of behaviour	Our crew	99	See our <a href="#">Code of Conduct</a> .
<b>GOVERNANCE</b>				
102 - 18	Governance and structure	Annual Report 2020	Annual Report 2020	The Board guides the overall governance of our organisation. Please see from page 78 of our Annual Report 2020 for more information on our governance structure.

IND.	DESCRIPTION	REFERENCE	PAGE #	NOTES
<b>STAKEHOLDER ENGAGEMENT</b>				
102 - 40	List of stakeholder groups	Our journey, Our stakeholders table	96-101 Table 4 on pg 171	—
102 - 41	Collective bargaining agreements	This appendix	Table 9 on pg 175	—
102 - 42	Identifying and selecting stakeholders	Our journey, Our stakeholders table	—	—
102 - 43	Approach to stakeholder engagement	Our journey, Our stakeholders table	96-101 Tables 4 & 5 on pages 171-172	—
102 - 44	Key topics and concerns raised	Our journey, Our stakeholders table	96-101 Tables 4 & 5 on pages 171-172	—
<b>REPORTING PRACTICE</b>				
102 - 45	Entities included in the consolidated financial statements	Annual Report 2020	—	Rip Curl Group Pty Ltd. For all Kathmandu Holdings subsidiaries see page 63 of the 2020 Annual Report.
102 - 46	Defining content and topic boundaries	Our journey, Our stakeholders table, Our impacts	96-101 Tables 4 & 5 on pages 171-172	—
102 - 47	List of material topics	Our journey, Our stakeholders table, Our Impacts	96-101 Tables 4 & 5 on pages 171-172	—
102 - 48	Restatements of information	This appendix	—	No restatement this year.
102 - 49	Changes in reporting	This appendix	—	This is our first year using the GRI standards reporting framework.
102 - 50	Reporting period	This appendix	—	1 August 2019 to 31 July 2020.
102 - 51	Date of most recent report	This appendix	—	Kathmandu Holdings Sustainability Report 2020 (01/08/2019 — 31/07/2020).
102 - 52	Reporting cycle	This appendix	—	Annual (01/08/2019 — 31/07/2020).
102 - 53	Contact point for questions regarding the report	This appendix	—	Lucy Nakaroti: lucy.nakaroti@ripcurl.com
102 - 54	Claims of reporting in accordance with the GRI standards	Back cover	—	This report has been prepared in accordance with the GRI Standards Core option.
102 - 55	GRI content index	This appendix	—	—
102 - 56	External assurance	This appendix	—	Rip Curl is in the process of adopting certifications, partnerships and programmes that verify our various sustainability initiatives.



TABLE 2: GRI TOPICS

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	100-101 102-105 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>407 - 1:</b> Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk	Our suppliers	102-105	Workers' rights to freedom of association and collective bargaining are at significant risk, with 72% of our suppliers based in China. Through government restrictions, independent unions have no real power to help the workers to improve their wages or working conditions and collective bargaining is limited. We are investing in a new CSR programme to help us to evaluate and analyse the risks within our supply chain provides supplier training and education, introducing a grievance mechanism for workers updating our code of conduct and creating a terms of trade document.
<b>GRI 408: CHILD LABOUR</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	100-101 102-105 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>408 - 1:</b> Operations and suppliers at significant risk for incidents of child labour.	Our suppliers	102-105	Unfortunately, in the apparel industry, child labour can be located in all tiers, more so in Tier 2 and Tier 3. We have created a child labour policy and updated our code of conduct.
<b>GRI 409: FORCED OR COMPULSORY LABOUR</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	100-101 102-105 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>409 - 1:</b> Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour.	Our suppliers	102-105	Forced labour is commonplace throughout the apparel industry, with migrant workers being at particular risk. By updating our code of conduct and through our new CSR partnership, we are looking at creating a programme to evaluate the risks within our supply chain to be able to provide supplier training and education as well as introducing a grievance mechanism for workers.
<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>			
<b>GRI 103:</b> Management Approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	100-101 102-105 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>412 - 1:</b> Operations that have been subject to human rights reviews or impact assessments	Our suppliers	102-105	

TOPIC	REFERENCE	PAGE #	NOTES
<b>412 - 2:</b> Employee training on human rights policies or procedures	Our suppliers	102-105	
<b>412 - 3:</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Our suppliers	102-105	
<b>GRI 412: SUPPLIER SOCIAL ASSESSMENT</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	100-101 102-105 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>414 - 1:</b> New suppliers that were screened using social criteria	Our suppliers	96-101 102-105	100%
<b>414 - 2:</b> Negative social impacts in the supply chain and actions taken	Our suppliers	102-105	13 audits were conducted last year. 10% of our suppliers were identified as having significant actual and potential negative social impacts. Of this, 8% had improvements agreed upon as a result of assessment. In the supply chain, 5% had significant actual and potential negative impacts identified. Five suppliers were exited as a result of assessment as part of a company strategy of moving to a consolidated supplier base for all of our regions.
<b>GRI 301: MATERIALS</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	100-101 102-105 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	100-101 102-105 Table 5 on pg 172
<b>GRI 303: WATER</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	100-101 106-109 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our suppliers	101-101 106-109 Table 5 on pg 172
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>GRI 416 - 2:</b> Incidents of non-compliance concerning the health and safety impacts of products and services	—	—	We have not identified any non-compliance with regulations and/or voluntary codes.



TABLE 2: GRI TOPICS (CONTINUED):

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 418: CUSTOMER PRIVACY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our products	100-101 106-109 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>GRI 418 - 1:</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data		—	We have not identified any substantiated complaints concerning breaches of customer privacy and losses of customer data.
<b>GRI 305: EMISSIONS</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our footprint	100-101 110-115 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>GRI 305 - 2:</b> Energy indirect (Scope 2) GHG emissions		—	We do not currently measure or record emissions.
<b>GRI 305 - 3:</b> Other indirect (Scope 3) GHG emissions		—	We do not currently measure or record emissions.
<b>GRI 305 - 4:</b> GHG emissions intensity		—	We do not currently measure or record emissions.
<b>GRI 306: WASTE</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our footprint	100-101 110-115 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>GRI 306 - 2:</b> Waste by type and disposal method		—	We do not currently measure or record waste.
<b>GRI 401: EMPLOYMENT</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our crews	100-101 122-127 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>GRI 401 - 1:</b> New employee hires and employee turnover			122-127 Table 7 on pg 174
<b>GRI 401 - 2:</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees.		—	
<b>GRI 401 - 3:</b> Parental leave			122-127 Table 8 on pg 175

TOPIC	REFERENCE	PAGE #	NOTES
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our crew	Table 10 on pg 175
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>GRI 403 - 1:</b> Occupational health and safety management system			Table 11 on pg 176
<b>GRI 403 - 4:</b> Workers representation in formal joint management-worker health and safety committees			Table 5 on pg 172 Safety and worker health is of great importance and training/information is provided through email, documents in-store and on the Myagi learning platform. Incidents and risks are managed through the Operations & HR Teams and are monitored through excel/word documents and other documents. These are stored in a secure location for reference.
<b>GRI 403 - 9:</b> Work-related injuries			122-127 Table 12 on pg 177
<b>GRI 403 - 10:</b> Work-related ill health			122-127 Table 11 on pg 176
<b>GRI 404: TRAINING AND EDUCATION</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our crew	100-101 122-127 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>GRI 404 - 2:</b> Programmes for upgrading employee skills and transition assistance programmes			122-127 Table 5 on pg 172
<b>GRI 404 - 3:</b> Percentage of employees receiving regular performance and career development reviews			122-127 Table 5 on pg 172
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>			
<b>GRI 103:</b> Management approach	103 - 1: Explanation of the material topic and its boundary	Our journey, Our crew	100-101 122-127 Table 4 on pg 171
	103 - 2: The management approach and its components	Management approach table	Table 5 on pg 172
<b>GRI 405 - 1:</b> Diversity of governance bodies and employees			122-127 Tables 15 on pg 178 and Table 16 on pg 145



TABLE 3: OUR STAKEHOLDERS

STAKEHOLDER GROUP	ENGAGEMENT MECHANISM	FREQUENCY OF ENGAGEMENT	KEY ISSUES RAISED
<b>Customers</b>	<ul style="list-style-type: none"> <li>– Social media</li> <li>– In our stores</li> <li>– Our website</li> <li>– Events</li> <li>– Customer services</li> <li>– Service centre</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Waste management and environment maintenance</li> <li>– Product warranty</li> <li>– Plastic packaging</li> <li>– Wetsuit programme, battery recycling</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>– Team Myagi software</li> <li>– Sustainability Working Group</li> <li>– Company updates</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Health and safety, waste management, supply chain, emissions management, training and sustainability projects</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>– Meetings</li> <li>– Site visits</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Product quality and safety</li> <li>– Fair working conditions</li> <li>– Fair and open procurement practices</li> <li>– Environmental impacts</li> </ul>
<b>Factories</b>	<ul style="list-style-type: none"> <li>– Meetings</li> <li>– Site visits</li> <li>– Audits</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Fair working conditions</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>– Planet Day</li> <li>– Grom Search events</li> <li>– Social media</li> <li>– Website</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Ensuring long-term survival of plant species indigenous to the region</li> <li>– Beach cleanliness, waste reduction</li> </ul>
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>– Meetings</li> <li>– Reports</li> <li>– Site visits</li> </ul>	Quarterly and as required	<ul style="list-style-type: none"> <li>– Economic performance</li> <li>– Environmental impacts</li> <li>– Community impacts</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>– Our annual reports</li> <li>– Annual general meeting</li> <li>– ASX and NZX announcements</li> <li>– Website</li> <li>– Investor roadshows, briefing forums</li> </ul>	Quarterly and as required	<ul style="list-style-type: none"> <li>– Economic performance</li> <li>– All sustainability material issues</li> </ul>
<b>Industry associations</b>	<ul style="list-style-type: none"> <li>– Meetings (quarterly)</li> <li>– Reports</li> <li>– Workshops</li> </ul>	Annually	<ul style="list-style-type: none"> <li>– Environmental impacts, supply chain, human rights, waste, audits</li> <li>– Community impacts</li> </ul>
<b>Investment community</b>	<ul style="list-style-type: none"> <li>– ASX announcements</li> <li>– Website</li> <li>– Investor briefings and forums</li> </ul>	Quarterly and as required	<ul style="list-style-type: none"> <li>– ESG performance</li> </ul>
<b>Civil society and community organisations</b>	<ul style="list-style-type: none"> <li>– Social media</li> <li>– Requests for information</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>– Human rights in our supply chain</li> <li>– Environmental impacts</li> <li>– Fair working conditions</li> <li>– Product materials stewardship</li> <li>– Supplier management</li> </ul>

TABLE 4: OUR IMPACTS: WHERE DO THEY OCCUR?

MATERIAL TOPIC IN ORDER OF PRIORITY	WHO IT APPLIES TO	WHERE IT APPLIES AND BOUNDARIES	LIMITATIONS
<b>OUR SUPPLIERS</b>			
<b>Freedom of association and collective bargaining</b>	Rip Curl factories and suppliers	Our supply chain	–
<b>Child labour</b>	Rip Curl factories and suppliers	Our supply chain	–
<b>Forced or compulsory labour</b>	Rip Curl factories and suppliers	Our supply chain	–
<b>Supplier social assessments</b>	Rip Curl factories and suppliers	Our supply chain	–
<b>OUR PRODUCTS</b>			
<b>Materials</b>	Rip Curl factories and suppliers	Our operations	Our overall sustainable materials percentage use against conventional materials is too complex to calculate to meet topic requirements.
<b>Products and services</b>	Rip Curl, consumers	Our operations	–
<b>Customer health and safety</b>	Rip Curl, consumers	Our operations	–
<b>Product labelling</b>	Rip Curl, consumers	Our operations	–
<b>Water</b>	Rip Curl factories and suppliers	Our operations	–
<b>Marketing</b>	Rip Curl, consumers	Our operations	–
<b>Environment</b>	Rip Curl staff, consumers	Our operations	–
<b>Customer privacy</b>	Rip Curl, consumers	Our operations	–
<b>OUR FOOTPRINT</b>			
<b>Economic performance</b>	Rip Curl key stakeholders	Our operations	–
<b>Energy</b>	Rip Curl factories, suppliers, office, warehouse and stores	Our operations and stores	We don't currently report on energy use.
<b>Emissions</b>	Rip Curl factories, suppliers, office, warehouse and stores	Our operations and stores	We don't currently report on emissions.
<b>Waste</b>	Rip Curl factories, suppliers, office, warehouse and stores	Our operations and stores	We don't currently report on waste .
<b>Transport</b>	Rip Curl supply chain, warehouses, stores	Our operations	We don't currently report on emissions through transport.
<b>OUR TEAM</b>			
<b>Employment</b>	Rip Curl	Our operations	–
<b>Occupational health and safety</b>	Rip Curl	Our operations	–
<b>Training</b>	Rip Curl	Our operations	–
<b>Diversity and equal opportunity</b>	Rip Curl	Our operations	–
<b>Compliance</b>	Rip Curl	Our operations	–



TABLE 5: MANAGEMENT APPROACH

TOPIC	POLICIES AND MANAGEMENT	ACTIVITIES	EVALUATION	ACCOUNTABLE DEPARTMENT
Workers' rights: freedom of association and collective bargaining, child labour, forced or compulsory labour, human rights assessment, supplier social assessment	<a href="https://www.ripcurl.com.au/company/social-compliance.html">https://www.ripcurl.com.au/company/social-compliance.html</a>	Through our code of conduct and auditing.	We have merged our supply chain management programme with our parent company under the service provider ELEVATE - following the same CSR approach.	CSR
Materials, water	Point fabric inspections, performance standards, quality inspections, apparel safety, supplier garment wash test procedure.	Our policies and management help guide and ensure our sustainability strategy.	Through reporting and assessment.	Product
Customer health and safety	We research and complete all compliance requirements before entering new products into the market	Our quality department reviews products before entering the market. Market compliance research.	We review our research and completion processes to achieve continuous improvement.	Sourcing/ Development Team, Compliance Team
Customer privacy	We have a stringent policy and process to protect the privacy of our customers.	Our relevant customer services team are briefed on the details of the policy to ensure no breaches are made. Communication is highly prioritised with the customer following any incidents.	Reviews are completed on any incidents to achieve continuous improvement.	Customer Services
Waste	We have begun the journey to track our waste.	We will engage with all key stakeholders to come up with a solution to manage and track our waste.	We are yet to audit our waste streams.	Finance, Retail Operations
Carbon emissions	We have begun the journey to track our emissions.	Engaging to measure Scope 1 and Scope 2.	We currently do not report on our carbon emissions.	Finance, Retail Operations
Team development: new employee hires and turnover, benefits for full-time employees, parental leave, occupational health and safety, training and education, diversity, equal opportunity	Rip Curl has global and local people strategies that are focused on enhancing the support we provide to our crew. Our People Plan encompasses ongoing reviews of these functional areas so that our crew are best placed to deliver on organisational and individual goals.	The global HR team works closely with internal stakeholders and management in order to execute strategy in a way that compliments other strategies and activities occurring in the business, Collaboration is the key to ensuring our People Plan aligns to the overall organisational strategy.	We collaborate and gather feedback whilst developing and implementing strategies from all relevant stakeholders.	Human Resources

TABLE 6: INFORMATION ON EMPLOYEES AND OTHER WORKERS

	AUS	NZ	EUROPE	BRAZIL	JAPAN	INDONESIA	THAILAND	CANADA	USA	TOTAL
<b>BY EMPLOYMENT TYPE</b>										
<b>Full-time employees</b>	371	6	169	73	17	80	500	4	135	1,355
<b>Part-time employees</b>	59	10	25	0	0	17	0	6	177	294
<b>Casual</b>	1,066	0	82	25	3	0	0	0	17	1,193
<b>Total employees</b>	1,496	16	276	98	20	97	500	10	329	2,842
<b>BY CONTRACT TYPE</b>										
<b>Permanent</b>	426	16	194	73	17	80	500	10	312	1,628
<b>Fixed-term full-time</b>	2	0	0	0	0	17	0	0	0	19
<b>Fixed-term part-time</b>	2	0	0	0	0	0	0	0	0	2
<b>Casual</b>	1,066	0	82	25	3	0	0	0	17	1,193
<b>Total workforce</b>	1,496	16	276	98	20	97	500	10	329	2,842
<b>BY GENDER</b>										
<b>Male</b>	517	6	130	53	12	51	87	5	162	1,023
<b>Female</b>	979	10	146	45	8	46	413	5	167	1,819
<b>BY AGE GROUP</b>										
<b>&lt;30</b>	1,119	12	96	42	3	29	128	7	243	1,679
<b>30-50</b>	321	4	137	54	15	64	335	3	69	1,002
<b>50+</b>	56	0	43	2	2	4	37	0	17	161
<b>BY CATEGORY</b>										
<b>Executive</b>	8	0	1	0	0	0	0	0	1	10
<b>Senior management</b>	10	0	14	5	0	5	5	3	9	51
<b>Management</b>	10	0	11	3	3	14	10	0	7	58
<b>Non management</b>	1,468	16	250	90	17	78	485	7	312	2,723



TABLE 7: HIRING AND TURNOVER

		AUS	NZ	EUROPE	BRAZIL	JAPAN	INDONESIA	THAILAND	CANADA	USA	TOTAL
<b>NEW HIRES</b>											
<b>Permanent</b>	<b>Total</b>	78	3	9	23	2	13	184	9	251	572
<b>Indefinite</b>	<b>Total</b>	851	0	75	0	1	0	0	4	22	954
<b>BY GENDER</b>											
<b>Permanent</b>	<b>Male</b>	26	1	3	10	2	5	25	3	128	203
<b>Permanent</b>	<b>Female</b>	52	2	6	13	0	8	159	6	123	369
<b>Indefinite</b>	<b>Male</b>	301	0	24	0	0	0	0	3	12	340
<b>Indefinite</b>	<b>Female</b>	550	0	51	0	1	0	0	1	10	614
<b>BY AGE GROUP</b>											
<b>Permanent</b>	<b>&lt;30</b>	50	3	5	11	0	10	102	12	257	450
<b>Permanent</b>	<b>30-50</b>	23	0	4	12	1	3	82	0	9	135
<b>Permanent</b>	<b>50+</b>	5	0	0	0	1	0	0	0	4	10
<b>Indefinite</b>	<b>&lt;30</b>	780	0	54	0	0	0	0	1	0	835
<b>Indefinite</b>	<b>30-50</b>	58	0	17	0	1	0	0	0	0	76
<b>Indefinite</b>	<b>50+</b>	13	0	4	0	0	0	0	0	3	20

		AUS	NZ	EUROPE	BRAZIL	JAPAN	INDONESIA	THAILAND	CANADA	USA	TOTAL
<b>TURNOVER</b>											
<b>Permanent</b>	<b>Total</b>	151	6	8	22	4	14	201	9	295	710
<b>Indefinite</b>	<b>Total</b>	714	0	65	0	5	0	0	1	29	814
<b>BY GENDER</b>											
<b>Permanent</b>	<b>Male</b>	59	2	4	13	4	5	26	3	141	257
<b>Permanent</b>	<b>Female</b>	92	4	4	9	0	9	175	7	154	454
<b>Indefinite</b>	<b>Male</b>	273	0	30	0	0	0	0	0	15	318
<b>Indefinite</b>	<b>Female</b>	441	0	35	0	5	0	0	0	14	495
<b>BY AGE GROUP</b>											
<b>Permanent</b>	<b>&lt;30</b>	86	5	1	2	1	10	127	9	263	504
<b>Permanent</b>	<b>30-50</b>	46	1	5	18	1	3	66	0	26	166
<b>Permanent</b>	<b>50+</b>	19	0	2	2	2	1	8	0	6	40
<b>Indefinite</b>	<b>&lt;30</b>	671	0	46	0	2	0	0	1	29	749
<b>Indefinite</b>	<b>30-50</b>	39	0	15	0	3	0	0	0	0	57
<b>Indefinite</b>	<b>50+</b>	4	0	4	0	0	0	0	0	0	8

TABLE 8: PARENTAL LEAVE

		MALE	FEMALE
1	Report the number of employees by gender who were entitled to parental leave.	734	1,454
2	Report the number of employees by gender who took parental leave.	6	38
3	Report the number of employees who returned to work after parental leave ended, by gender.	6	24
4	Report the number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work, by gender.	6	11
5	Report the return to work rate of employees who returned to work after leave ended, by gender.	100%	63%
6	Report the retention rate of employees who returned to work after leave ended, by gender.	100%	98%

TABLE 9: COLLECTIVE BARGAINING AGREEMENTS

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

TABLE 10: OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	
<p><b>A statement of whether an occupational health and safety management system has been implemented, including whether:</b></p> <p><b>i. the system has been implemented because of legal requirements and, if so, a list of the requirements</b></p> <p><b>ii. the system has been implemented based on recognised risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines</b></p>	<p>The company operates in a number of different countries around the world, and has yet to implement a consistent Occupational Health &amp; Safety Management System across all of its regions. Management systems are however in place to meet the expected minimum legal standard of each country that we operate within. This includes all of our support offices, warehouses and retail stores.</p>
<p><b>A description of the scope of workers, activities and workplaces covered by the occupational health and safety management system and an explanation of whether and, if so, why any workers, activities or workplaces are not covered</b></p>	<p>—</p>



TABLE 11: WORK-RELATED ILL HEALTH

ALL EMPLOYEES	
Number of fatalities as a result of work-related ill health	0
Number of high consequence work related injuries (excluding fatalities)	0
Main types of work-related ill health	<ul style="list-style-type: none"> <li>– Physical</li> <li>– Ergonomic</li> <li>– Psychosocial</li> <li>– Biological</li> </ul>
ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANISATION	
Number of fatalities as a result of work-related ill health	0
Number of cases of recordable work-related ill health	0
Main types of work-related ill health	–
WORK-RELATED HAZARDS THAT POSE A RISK OF ILL HEALTH	
How these hazards have been determined	<ul style="list-style-type: none"> <li>– Incident/hazard reports</li> <li>– Workspace inspection checklists</li> <li>– Employee awareness</li> <li>– OH&amp;S representatives</li> <li>– Occupational therapist reports</li> <li>– Safety committee</li> </ul>
Which of these hazards have caused or contributed to cases of ill health during the reporting period	<ul style="list-style-type: none"> <li>– Manual handling</li> <li>– Stock level/location</li> </ul>
Actions taken or under way to eliminate these hazards and minimise risks using the hierarchy of controls	Multiple

TABLE 12: WORK-RELATED INJURIES

ALL EMPLOYEES	
Number of fatalities as a result of work-related injury	0
Number of cases of recordable work-related injury (excluding fatalities)	0
Number and rate of recordable work-related injuries	4.3
Main types of work-related injury	<ul style="list-style-type: none"> <li>– Ergonomic</li> <li>– Physical</li> <li>– Biological</li> <li>– Machine</li> </ul>
ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANISATION	
Number and rate of fatalities as a result of work-related injury	0
Number and rate of high-consequence work-related injuries (excluding fatalities)	0
Number and rate of recordable work-related injuries	0
Main types of work-related injury	–
Number of hours worked	Unable to calculate hours for contractors
WORK-RELATED HAZARDS THAT POSE A RISK OF HIGH-CONSEQUENCE INJURY	
How these hazards have been determined	<ul style="list-style-type: none"> <li>– Incident/hazard reports</li> <li>– Employee awareness</li> <li>– OH&amp;S representatives and checklist</li> <li>– Occupational therapist visits</li> <li>– Auditing</li> <li>– Safety committee</li> </ul>
Which of these hazards have caused or contributed to cases of injury during the reporting period	0
Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.	–
ACTIONS TAKEN OR UNDERWAY TO ELIMINATE THESE HAZARDS AND MINIMIZE RISKS USING THE HIERARCHY OF CONTROLS.	
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked	200,000
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	–
Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	–

TABLE 13: PERCENTAGE OF TOTAL EMPLOYEES BY EMPLOYEE CATEGORY WHO RECEIVED A REGULAR PERFORMANCE REVIEWS/APPRAISALS

The company policy is that all full time employees have a mid year and full year performance review and we have put in place mechanisms to track the number of reviews formally completed and documented prospectively, and will report on that in future reports.



TABLE 14: DIVERSITY

## GENDER DIVERSITY

	AUS & NZ	EUROPE	BRAZIL	JAPAN	INDONESIA	THAILAND	CANADA	USA	TOTAL
<b>EXECUTIVE</b>									
Male	5	1	0	0	0	0	0	1	<b>7</b>
Female	3	0	0	0	0	0	0	0	<b>3</b>
<b>SENIOR MANAGEMENT</b>									
Male	7	11	4	0	1	2	3	7	<b>35</b>
Female	3	3	1	0	4	3	0	2	<b>16</b>
<b>MANAGEMENT</b>									
Male	6	10	2	3	8	4	0	4	<b>37</b>
Female	4	1	1	0	6	6	0	3	<b>21</b>
<b>NON-MANAGEMENT</b>									
Male	512	108	43	8	40	81	2	150	<b>944</b>
Female	972	142	47	9	38	404	5	162	<b>1,779</b>

## AGE DIVERSITY

	AUS & NZ	EUROPE	BRAZIL	JAPAN	INDONESIA	THAILAND	CANADA	USA	TOTAL
<b>EXECUTIVE</b>									
<30	0	0	0	0	0	0	0	0	<b>0</b>
30-50	4	1	0	0	0	0	0	1	<b>6</b>
50+	4	0	0	0	0	0	0	0	<b>4</b>
<b>SENIOR MANAGEMENT</b>									
<30	0	0	0	0	0	0	1	0	<b>1</b>
30-50	8	11	5	0	5	5	2	7	<b>43</b>
50+	2	3	0	0	0	0	0	2	<b>7</b>
<b>MANAGEMENT</b>									
<30	0	0	1	0	0	0	0	0	<b>1</b>
30-50	9	8	2	2	13	9	0	5	<b>48</b>
50+	1	3	0	1	1	1	0	2	<b>9</b>
<b>NON-MANAGEMENT</b>									
<30	1,131	96	41	3	29	128	6	243	<b>1,677</b>
30-50	304	117	47	13	46	321	1	56	<b>905</b>
50+	49	37	2	1	3	36	0	13	<b>141</b>



