

# made with care

Sustainability Report 2023



# The Made with Care Report

This is our fourth year of sustainability reporting. During that time, we've stayed true to our strategy, a journey that embraces a genuine goal of doing more and doing better. Throughout the business, we continue to improve our sustainability foundation and commitment — Made with Care. Basing our business practices on ESG principles, grounded in our three pillars (People, Planet, Product), helps us to focus our efforts to do better.

This report continues our focus on what our stakeholders tell us their priorities are. We have updated our framework and aligned our new materiality with our overall strategy for 2024. Knowing where to focus our efforts is key to rolling out our long-term strategies.

The past year has seen extreme weather events around the globe, affecting the lives, homes and businesses of many people. These disruptions continue to be a reminder of the importance of being a responsible business, the ability to stay grounded on a foundation of strong values, and continuing to remain agile in a changeable business climate. Sustainability reporting isn't a 'good to have' but an essential part of being a responsible business and a vehicle for helping us to do better.

For economic performance disclosures and a list of all entities included in the Hallenstein Glasson Holdings financial statements, refer to our Annual Report.

Hallenstein Glasson Holding is the parent company for Hallenstein Brothers Ltd, Glassons NZ Ltd and Glassons Australia Ltd.

Sustainability reporting for HGHL occurs annually in line with our Annual Report i.e. 2 August – 1 August. The period covered in this report is **2 August 2022 – 1 August 2023.**

Please direct any questions you have about this report to:

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This report has been prepared with reference to GRI: Standard (2021)

The report contents have been reviewed and signed off by the Board Sustainability Governance along with material reported on.

Hallenstein Glasson Holdings is a New Zealand Limited Company listed on the New Zealand Stock Market. We trade in New Zealand and Australia and service countries worldwide through our webstores. Our headquarters are based in Newmarket, Auckland.

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Part 1

# Continued Commitment





# Welcome from our CEO

This is now our fourth year of producing our Sustainability Report and I am pleased to update you on our progress. Over the past year, we have navigated a world that continues to evolve and challenge our collective consciousness.

From the ongoing climate crisis to the pressing need for fair and ethical supply chains, we recognise that sustainability is not an option but a necessity. In this report, we highlight the steps we have made on our ongoing journey and what we are doing to face the challenges head-on.

This year we emerged from COVID-19 disruption, allowing us to return to a degree of normality. It meant we could visit our suppliers again and pick up face to face all the projects we have been working on remotely. It was great to be back, our suppliers warmly welcomed us and we appreciated the support and partnership in navigating the difficult last few years.

We have continued to focus on our three pillars, People, Planet and Product. As with all the previous years' reports, our strategy is underpinned by our core values that we will be transparent and maintain our integrity in sharing with you the steps on our journey. This is only possible with the continued commitment and partnership with our suppliers and teams in both New Zealand and Australia.

Once again, we have reached out to our stakeholders to ensure that our priorities are aligned. This is important to ensure we focus on the key topics that are important to our customers, team members, service providers and suppliers.

The areas of focus are below:

- Environmentally sustainable certified fabrics
- Product stewardship
- Supplier partnerships & ethical factories
- Our carbon footprint
- Climate change preparations
- Our environmental impact
- Diverse workforce
- Safe working environment for all
- Team career development



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Our journey toward sustainability is a dynamic one, but with our core values of transparency and integrity, we will continue to move forwards, marked by challenges and triumphs.

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We continue to move forward on producing garments from more sustainable fabrics, and working to become certified ourselves, in order to tell our customers all about this. We have been focusing on expanding our audits further down the supply chain and working with our suppliers to improve their standards. We have been partnering with our suppliers to focus on gender equality, worker representation, quality control and workers wages. There is still work to do but we are taking steps forwards.

There has been a great deal of work carried out over the last year on our carbon footprint, carbon reduction plan and our targets. We will communicate this next year when we can give the overall picture of how we can reduce our impact on the environment.

Investment in our people is still a key priority for us, providing ongoing training and development as well as supporting their wellbeing. This included in-house training and renowned external training providers. All this is backed with our internal apps, helping the organisation to communicate better.

You will find more detail in the pages of our report, where you will discover the stories, data, and insights that illuminate our ongoing commitment to environmental stewardship, ethical sourcing, diversity and inclusion, and community engagement. From reducing our carbon footprint to championing responsible labour practices, we are committed to making a difference at every level of our operations. Regular updates and more information can also be found on both the Glassons and Hallensteins websites.

Our journey toward sustainability is a dynamic one, but with our core values of transparency and integrity we will continue to move forward, marked by challenges and triumphs. We recognise that the road ahead is long, but our resolve is stronger than ever.

Thank you for being a part of our journey.

**Stuart Duncan**  
Group CEO

# Our Heritage

The Glassons and Hallenstein Brothers brands are household names in New Zealand and the brands are increasingly becoming known in Australia and beyond. But did you know that the brands started in New Zealand?

## Over a century of NZ fashion

Our origin stories are steeped in family history and entrepreneurial spirit. Two distinct families, Hallenstein and Glasson, establishing retail and manufacturing businesses that would go on to transform the Australasian fashion retail scene.

Both founders instilled common guiding principles into their companies: integrity, authenticity, creativity and quality. Delivering value to their customers was in their DNA. Hallenstein Glassons Holdings Ltd was formed in 1985, merging NZ's iconic men's retailer Hallenstein Brothers and premium women's retailer Glassons.

## GLASSONS

Glassons was originally founded in Christchurch back in 1918 by John H Glasson and soon after joined in partnership by his brother Charles V Glasson. Family has always been at the centre of this story, as current board member, James Glasson, is a 4th generation descendent. Initial retail expansion was largely focussed in the South Island, with the company growing nationwide in the 1980s. It has long been a much-loved women's retailer, renowned for its fashion-forward styles, vibrant stores and winning value.

## HALLENSTEIN BROTHERS

Hallenstein Brothers has been an integral part of Kiwi culture since the late 1800s. It's the oldest New Zealand company on the NZX and an integral part of how New Zealand has grown as a nation. It started with German-born merchant Bendix Hallenstein, who launched New Zealand's first clothing factory in 1873. His vision for Hallenstein Brothers was quality products, sold at wholesale prices. He was known as a forward-thinking and enlightened employer, with a strong social conscience. He was elected mayor of Queenstown and served as a Member of the House of Representatives. This year we celebrate 150 years since Bendix Hallenstein opened his first Hallenstein Brothers store in Dunedin.



# HGH – the Framework



Four years ago, HGH developed a structure and framework to GRI standards, that is the Global Reporting Initiative. This means we follow best practice for how we communicate and demonstrate accountability for the impacts on our pillars People, Planet, Product.

In April 2023, we engaged specialists, Tadpole, to update our materiality framework in line with the requirements of the new GRI standard. This enabled us to understand the key topics that should be included in our sustainability strategy, roadmap and reporting.

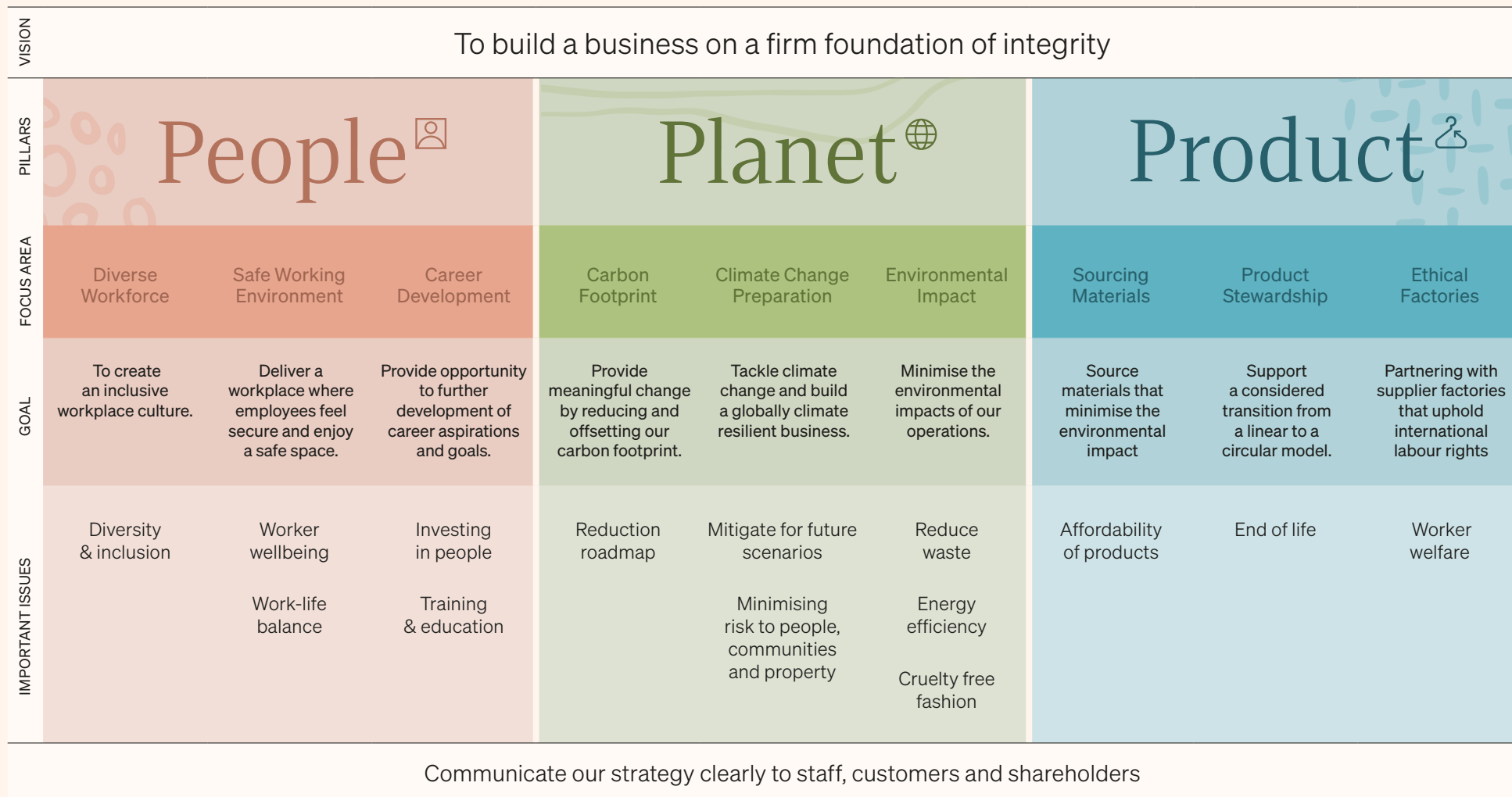
A crucial part of strategy development was to engage with stakeholders to identify and prioritise key topics.

This ensures our sustainability strategy:

- focuses on the right things
- prioritises necessary issues
- is based on a thorough and transparent process.



# Our Sustainability Framework



# Setting Priorities Together

As a fashion-forward clothing retail group listed on the NZX, we work closely with a range of stakeholders. These are the people who buy from us, work for or with us, and those who invest in us. Our relationships with them define our business: what we do and how we do it.

The frequency of when we meet with stakeholders varies depending on the group and the need for contact. This is summarised below.

## Staff

Our staff are stakeholders too. Their engagement is vital for HGH to deliver on the issues under our sustainability pillars.

## Customers

Purchase from our stores and with whom our staff interact. These customers experience our in-store service at the point of purchase. Or, they are customers who purchase online from us and experience our brands through our websites and digital channels.

## Investors/shareholders

Own shares in the company, and therefore have a vested financial interest in its success.

## Our Stakeholders

## Trade & third party suppliers

Supply us with the products we import and sell, or who provide the raw materials or processes we use to make those products (our supply chain). This group also includes businesses who supply us with additional services that allow us to bring HGH branded products to market (such as logistics).

## Service providers

Our service providers offer market support and financial analysis. Sustainability values are more than ever required to align to the core strategy, decision making, lending and investment criteria with the UN Sustainability Development Goals and international agreements on climate.

Stakeholder group	Methods of engagement	Key topics	Frequency	
			Light touch	Deep touch
Customers	Retail Staff / Sales / Marketing / Social media / Focus Groups & surveys	Product / Fashion / Sustainability	Continuous	Daily
Investors / shareholders	Annual Report / AGM / Half Year Report / Sustainability Report	Financial performance / Strategy / Market/trade updates / Sustainability / Governance	Half yearly	Annually
Staff	Internal Communication / Meetings / Roadshows	Product / Trade / Strategy / Health & Safety / Sustainability	Daily	Weekly (store) Monthly (region)
Trade suppliers	Emails / Meetings / Factory visits / Phone / Video	Compliance and QA / Product development / Sustainability	Daily	3-4 weeks
Third party suppliers	Email / Phone / Meetings / Quarterly reviews	Trade / Strategy / Forward planning / Sustainability	Daily – weekly	Quarterly
Service providers	Email / Phone / Meetings / Quarterly reviews	Banks / Insurance / Professional Services Firms	Monthly	Quarterly



Stakeholder feedback is important to us – it helps us to set our priorities and take decisive action towards our bigger Made with Care goals.



To understand what matters to our stakeholders, we do materiality assessments. This is an efficient and effective way to gather the views of our stakeholders and work out what's important now.

**Gathering feedback**

In April 2023, HGH asked Tadpole to update our materiality assessment. The aim? To help us figure out which topics should be included in our sustainability strategy, roadmap and reporting.

Stakeholders were asked to complete a survey to determine which of the 16 topics were the most important to each stakeholder group. They were all asked the same 16 questions relating to our pillars of People, Planet and Product. Topics included health and safety, product stewardship, sustainable products, ethical factories, climate change and waste.

Who we asked:

Stakeholders	Weighting
Customers	35%
HGH staff and shareholders	25%
Service providers	20%
Trade	20%

# The Materiality Assessment

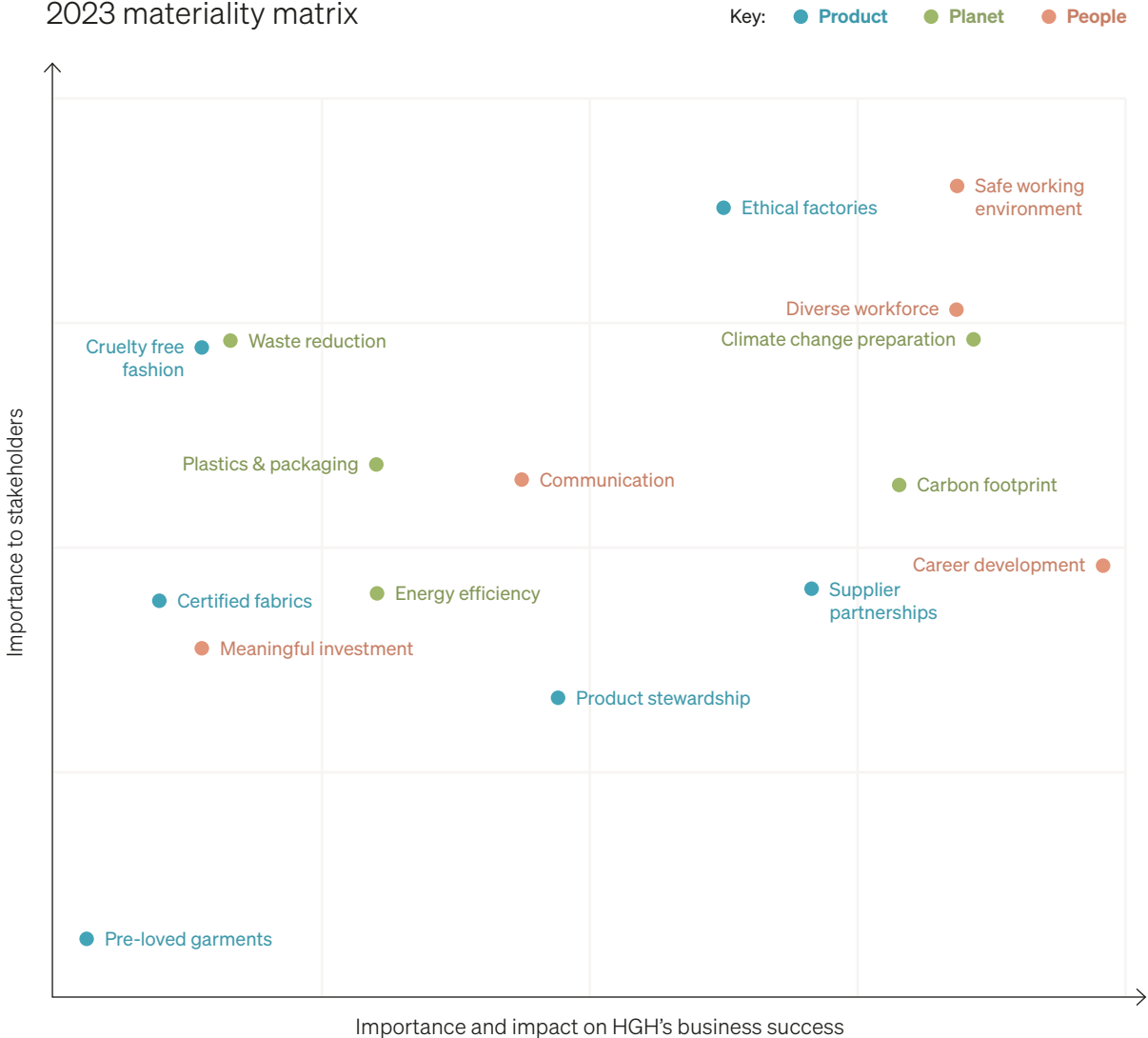
### What is materiality?

As we've mentioned, a materiality assessment is a way of gathering stakeholder feedback. It's a structured way to understand the issues our stakeholders care about most – and therefore what's critical (or 'material') to our business. The results inform an important part of our sustainability strategy – like resourcing.

### Understanding the results

The vertical axis tells us the importance of the topic to stakeholders. The horizontal one assesses the importance of the topics to our success. So, the topics which fall into the top right quadrant are both important to our success and important to our stakeholders – clearly showing where our priorities should lie.

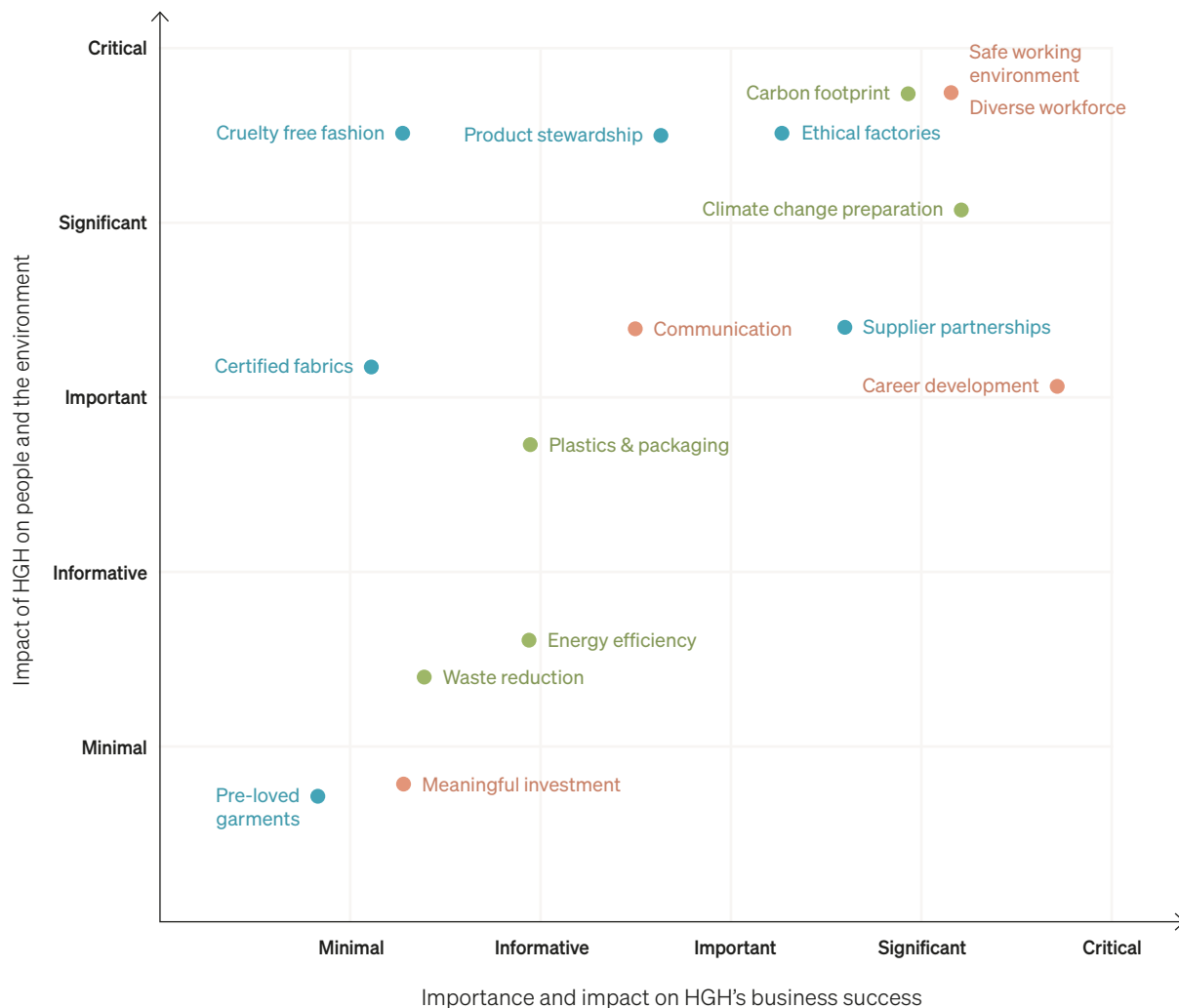
2023 materiality matrix





2023 double materiality matrix

Key: ● Product ● Planet ● People



### What is double materiality?

GRI (Global Reporting Initiative) sets out an internationally consistent way to report data, so that it can be more easily compared. Double materiality was introduced into the new GRI standards to give businesses and stakeholders even more insight into their data. It goes one step further, taking into consideration that businesses can have a financially material impact, and a non-financial impact that's material to people and the environment. This updated approach has helped us hone in on what's important from different perspectives: 'inside out' and 'outside in'.

A double materiality business impact assessment was facilitated by Tadpole with members of Hallenstein Glasson's leadership team.

### Inside out

This is our impact on people and the environment. We worked through the material topics from the 2022 assessment results and re-assessed them in 2023, looking at what impact they have on people and the environment.

### Outside in

This is the financial impact – how the topic affects our business. Here, we turned our attention to the impact of the topics on our operations, brand, business continuity, reputation and financial success.

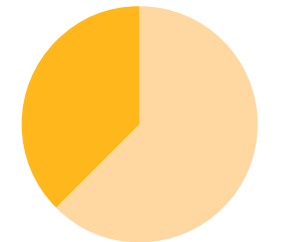
### Putting it all together

The top-rated material issues, risks and opportunities identified in 2023 will be taken into account as we progress on our sustainability journey. It will also re-focus how we communicate our progress when we talk to stakeholders.

# Governance Up Close

## Meet our Board

Our Board of Directors sets the standard for great performance through carefully-chosen objectives. They lead the way, determining our strategy and monitoring how the company performs.



**Our 2023 board by gender**

Male	5	62.5%
Female	3	37.5%

## Graeme James Popplewell

Non-executive  
Independent Director

B Com FCA

Appointed March 1985. Graeme has a wealth of experience in finance and retail previously holding the CFO and CEO roles within the business for a number of years.

## Timothy Charles Glasson

Non-executive Director

Appointed November 1985 on merger with Hallensteins. Tim is the founder of Glassons womenswear retail chain and has a wealth of experience in retail previously holding the CEO role within the business for a number of years.

## Warren James Bell

Chairman of the Board  
Non-executive Director

M Com FCA

Appointed December 1986. Mr Bell holds appointments on a number of boards of both public and private companies and is a professional director.

## Malcolm Ford

Non-executive  
Independent Director

Appointed June 2010. Background includes 20 years with experience in direct sourcing particularly in Asia. Mr Ford also has experience in brand management across wholesale and retail markets.

## Karen Bycroft

Non-executive  
Independent Director

BSC, Postgrad marketing  
Appointed November 2014. Background includes 25 years in retail in the UK and Australia with Marks & Spencer, Sears, Woolworths, Spotlight and Country Road. Experience in strategy, marketing and leadership. Also an Associate of Melbourne Business School and Executive Coach.

## Sandra Vincent

Non-executive  
Independent Director

Appointed October 2020. Background includes 35 years of experience in the wholesale and retail fashion industry. Sandra is also the Owner and Managing Director of Hartleys which has 24 retail stores across New Zealand.

## James Glasson

CEO – Glassons Australia

Appointed April 2021. James joined Glassons Australia in 2013, after completing a Master of Arts; Fashion Retail at the London College of Fashion (University of Arts). Taking on various roles within the business over the last 10 years, including Brand Manager, General Manager, Acting National Retail Manager, James was appointed to CEO of Glassons Australia in October 2017.

## Joanne Appleyard

Non-executive  
Independent Director

Appointed November 2022. Jo is a partner at Chapman Tripp and is a well regarded senior practitioner with over 30 years' experience. Jo specialises in employment, commercial and resource management law. Jo was a member of the NZ Markets Disciplinary Tribunal between 2011 and 2020.

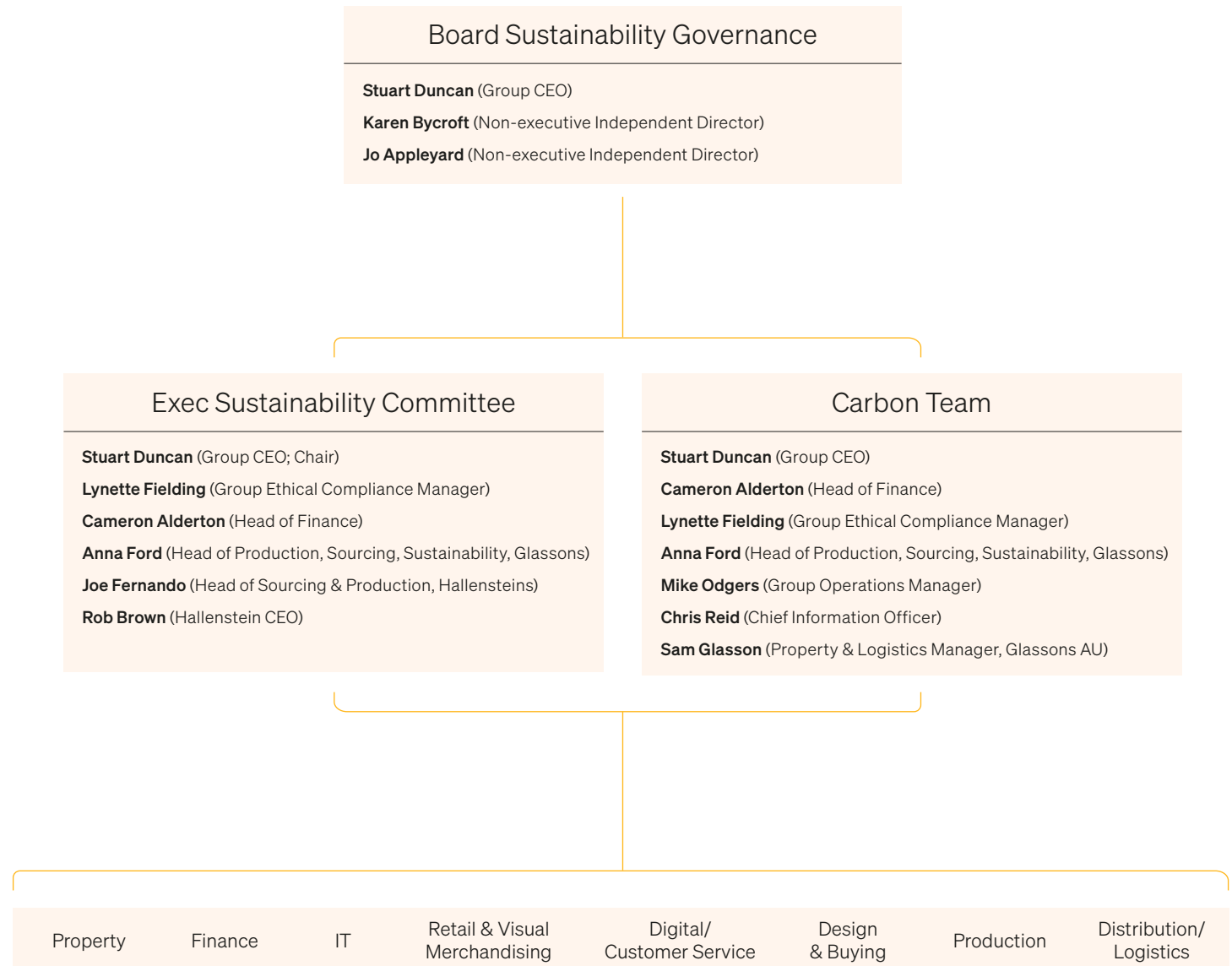


## Environmental, Social and Governance (ESG)

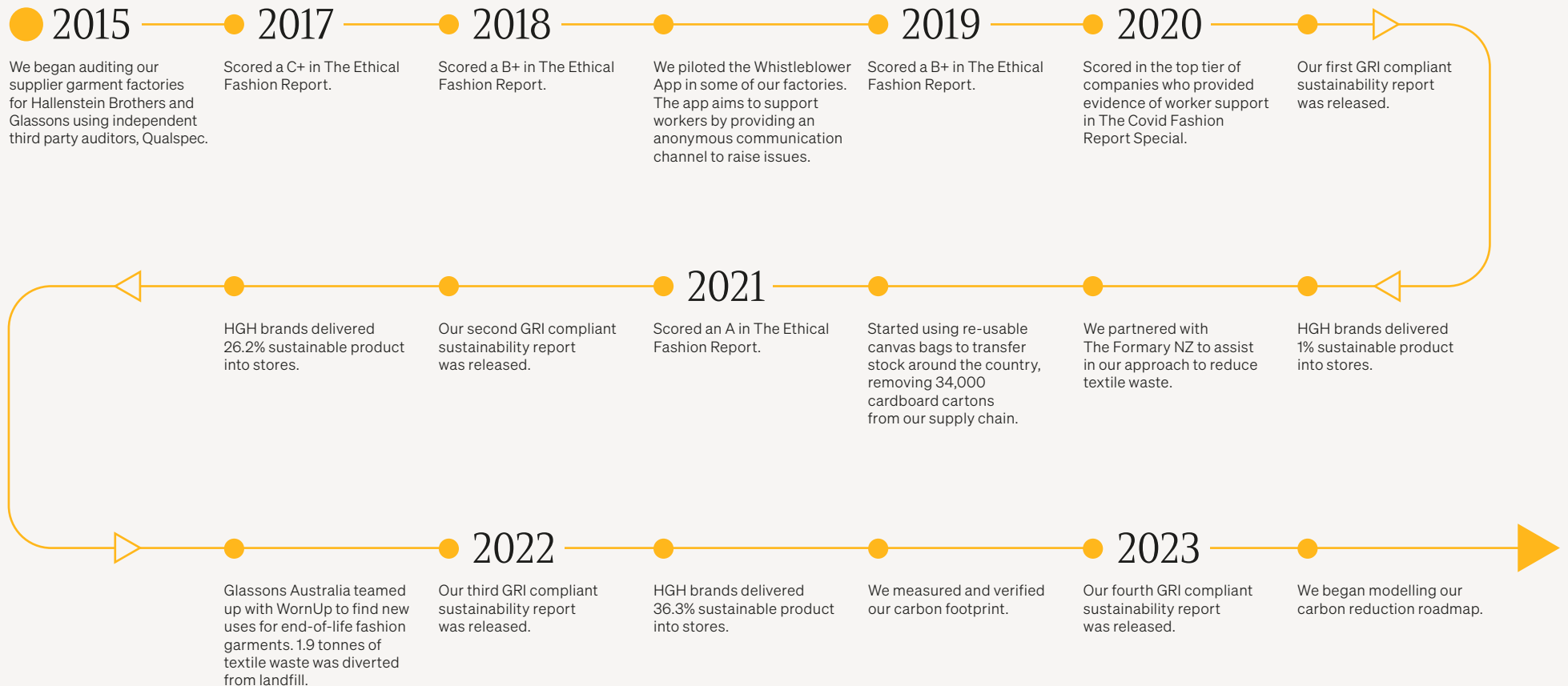
Our Sustainability Governance Committee ensures our sustainability principles are working effectively in every corner of the business. It's a big (and multi-faceted) job, so in 2022, we created a Carbon Team to help oversee the huge amount of work that goes into road mapping and reporting on our carbon journey.

The Exec Sustainability Committee meets with the Board Sustainability Committee each quarter to report on the management of HGH impacts relating to our materiality framework.

Here's how our sustainability governance structure looks:



# Our Sustainability Timeline





## Part 2

# Our Current Focus







# Product

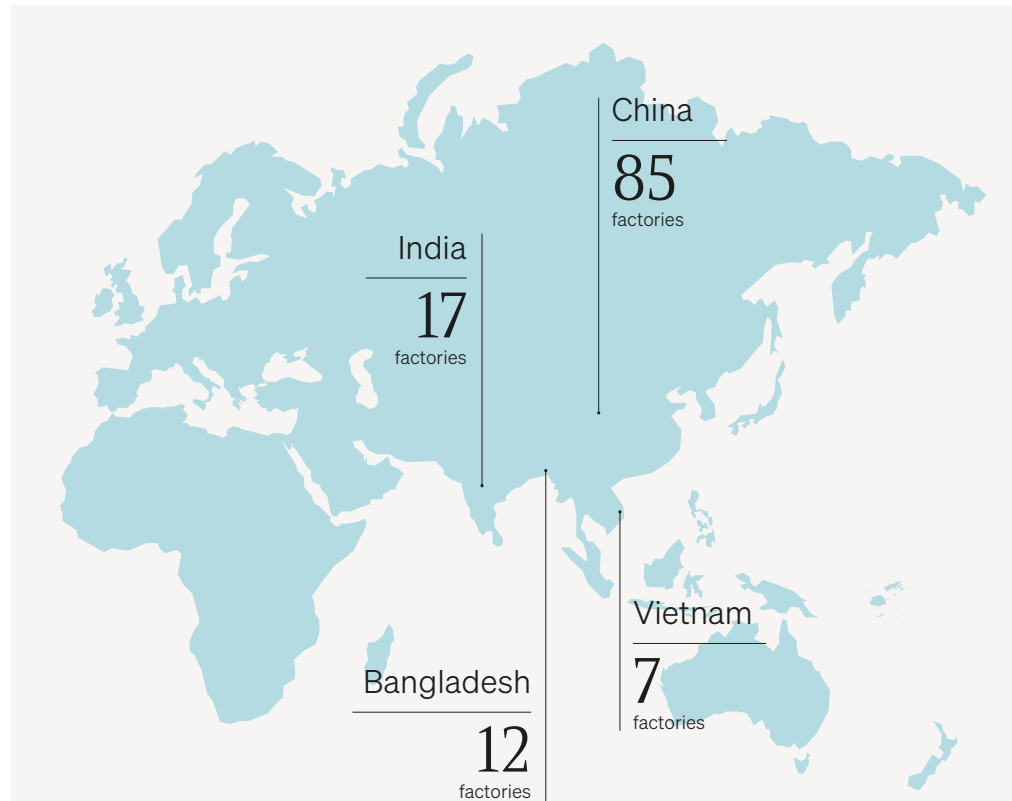
# Our Supply Chain, Up Close

Talking about 'our supply chain' sounds formal, but in reality many of our supply chain relationships are personal. Most of our suppliers have been with us for close on 20 years, so we understand each other well, and their support of our sustainability journey is essential. That said, we continue to work closely with them each and every day so they have a clear understanding of our sustainability focuses in regards to people and planet and what we expect of them.

Increasingly, consumers are demanding more visibility from the fashion industry, so they can make informed purchasing decisions. We understand this is our responsibility to give as much information as possible to our consumers, this report is an important channel to do so as our story progresses.

We are making good progress working closely with our factories on social compliance, but there is always more to do. For example, we will focus more on Tier 2 and understanding the input suppliers, all the while staying focused on Tier 1.

The good news is we can now travel freely to see our suppliers, and that's just how we like it. It's refreshing and invigorating to meet our suppliers and workers face to face, see the factories and experience the working environment.



Bangladesh is now an established part of our manufacturing operations. There, the factories can be large, some have more than 5,000 workers (compare that to an average of 65 workers or fewer in the factories in China). As there is now a large number of our supplier workforce in Bangladesh, we are working closely with our suppliers to review worker welfare support.

## Our supply chain in numbers

### HGH totals

**60**  
suppliers

**130**  
factories  
(includes nine  
factories that  
both brands use)

### Glassons

**32**  
suppliers

**75**  
factories

### Hallenstein Brothers

**28**  
suppliers

**55**  
factories

## Worker numbers

	Female	Male
China	4,391	1,928
Bangladesh	17,153	16,312
India	848	1,355
Vietnam	1,699	467
<b>Total</b>	<b>44,127</b>	



## Setting high standards in our supply chain

We're a retailer, so we don't own or manage the factories that make our garments. But we want to make sure that our suppliers meet our high ethical and quality standards. We choose our suppliers carefully, seeking transparency, close working relationships and a joint dedication to high standards. These standards include:

### Strong ethics

An ethical factory is one which focuses on worker welfare and has a safe working environment. It upholds international labour rights and respects the environment.

### Good visibility

We want to know who is in our supply chain and how they operate. We achieve visibility through:

- auditing
- partners such as Quallspec SGT and QIMA
- eyes and ears on the ground, we visit our factories to check conditions first-hand.

Our supply chain is split into three tiers.

### Tier 1

2023 visibility status

These factories make the products we import and sell.

We visit these factories regularly, and they must participate in our independent auditing programme. We have full visibility of our Tier 1 suppliers, and we'll keep it that way.

100%

### Tier 2

These suppliers are the textile processing facilities: mills, dye houses and laundries.

It may look as if we've gone backwards, but we have made significant improvements in tracing our Tier 2 suppliers and now have much more data giving us a bigger (and clearer) picture.

27%

We now have 259 Tier 2 factories traced. This means we've got their name, address and textile certification status on file. We calculate transparency by recording the number of facilities which we have a record of an audit or certification for (this means the facility has been visited by an independent auditor to check for environmental and social compliance). Our focus for 2024 will be learning more about the other facilities in our supply chain.

### Tier 3

These suppliers provide the raw materials.

This continues to be challenging for us. We're working closely with our suppliers to understand more about our raw material origins. We continue to review textile certification programs that provide verification of raw material origins.

5%

## Whole supply chain visibility

FY23 interim target has not been met. Even though we don't have the level of transparency we want yet, we now know our supply chain better and continue our efforts into tier 2 and 3.

2025 TARGET  
90%  
VISIBILITY

2023: 44%

# Beyond the Numbers

Audits help us to check that our suppliers are following our shared Code of Conduct. Qualspec SgT, a leading specialist in quality control in the textile industry, do these audits on our behalf. They provide a 'straight-up' report of factory processes, policies and worker culture. The data provided helps us understand what conditions are like in the factories and helps us to record information like worker numbers, wages, working hours, health and safety, union participation, environmental conditions, migrant worker numbers, housing and much more. You can imagine this volume of data is challenging to store and process, so we are very excited that our new supply chain data management system will aid in quantifying and analysing data to assist our ethical due-diligence.

We don't do audits to fault-find, we do them to help us work with our suppliers to solve problems and to help ensure that our Code of Conduct is an action plan, not just talk.

HGH audit numbers for FY23

26  
audits completed

6  
new factories

20  
existing factories

131  
compliances checked  
in each audit

These checks relate to	Number of compliances checked
Modern slavery	23
Safe and healthy workplaces	40
Freedom of association	10
Wages and working hours	31
Gender, discrimination and human rights	12
Bribery and corruption	3
The environment	12



# 5.6

average non-compliance  
per audit

## The 5 most common breaches

### Factory not paying all mandatory social benefits (China specific)

This is a complicated issue. There are five types of social insurance: accident, unemployment, medical, maternity and retirement. A large number of workers opt out of some or all of the insurances and the factory pays the worker directly instead of into the government scheme.

### Monthly overtime exceeding legal limit

Another complex issue. Most workers choose to do extra overtime, with the majority doing 40 – 65 overtime hours a month. We're trying to minimize pressure on factory working hours through our Responsible Purchasing Practices.

### Some machines not equipped with safety features

The most common is sewing machines with missing needle guards.

### Scissors not secured to machines or benches

Unsecured scissors are an injury risk.

### PPE misuse

Occasionally, there have been incidents of workers not wearing or using supplied Personal Protective Equipment correctly.

### What we do when we find breaches:

Remediation starts with working closely with our supplier and factory management teams. Working collaboratively and building on our long-term relationships with suppliers means better outcomes for everyone.

As well as remediation, QUALSPEC SgT provides our suppliers with ongoing Corporate Social Responsibility training, to help suppliers understand and continue to develop and maintain the ethical standards we expect. This combined approach is a successful one. In the rare instance that issues can't be solved, there are sanctions. But this is a last resort and we make every effort to resolve problems before we get to this point.

## Code of conduct

Audits ensure that our suppliers are following our Supplier Code of Conduct. To maintain manufacturing authority, our suppliers must demonstrate:

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There is no child labour

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There is no discrimination in the workplace

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A safe and healthy work environment

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Wages, working hours and benefits comply with local industry requirements

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Excessive overtime is prohibited

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There is no harsh or inhumane treatment

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Workers have freedom of association and the right to collective bargaining

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Compliance with environmental laws

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## Freedom of association

Freedom of association refers to the right of workers and employers to form and join independent organisations, without interference from others. This could mean joining an independent union, collective bargaining agreements, or democratically electing worker representatives in the factory.

The right to freedom of association and the right to collective bargaining is included in our Code of Conduct. Our independent auditor checks compliance in worker interviews, interviews with worker or union reps, and in reviewing meeting documents.

### China

In China, independent unions are illegal. We prioritise factories with democratically elected worker representatives and functioning grievance mechanisms within the factory.

### Bangladesh

There is no obligation to join a trade union in Bangladesh. For an establishment with no trade union, until a trade union is formed, the factory must instigate Participation Committees that run activities related to workers' interests, and worker representatives should be elected by the direct vote of workers. Among our suppliers in Bangladesh are two unions and ten worker representatives.

### India

In India, trade unions are not mandated by law. Our suppliers have worker representatives.

### Vietnam

All of our factories in Vietnam are unionised.

## Gender equality

The garment sector has offered millions of women across Asia opportunities to improve their economic and social positions. However, despite many interventions and investments towards strengthening gender equality throughout the sector in recent decades, gender gaps remain. This has only been exacerbated by the COVID-19 pandemic (see: ILO 2021a; ILO 2018a; Better Work 2020a; CARE International 2017) – there's still work to be done in this area.

Gender gaps aren't only measured in pay; it's also about opportunities. The UN Gender Inequality Index (GII) looks at this across three dimensions: health, empowerment and the labour market. The report gives countries a score based on these three dimensions, ranking them first to last out of 191 countries. According to the UN 2021 Gender Inequality Index:

- China is ranked 48th
- Vietnam is ranked 71st
- India is ranked 122nd
- Bangladesh is ranked 131st

### A shared commitment

Collaboration with multiple stakeholders, like industry, governments, workers and employers, and local and international NGOs, is the key to improving and encouraging more action on gender gaps. But for this to be effective, women must be represented, and their voices and leadership must be prioritised meaningfully.

Our supply chain spans four Asian countries with a workforce of 44,127 individuals. Females make up 54.6% of the total workforce.



Females are 15% of the management workforce across all five countries, with the highest percentages in China and Vietnam.



### Number of workers in management roles by gender



#### China

● Female	206	57.2%
● Male	154	42.8%



#### Bangladesh

● Female	128	6.55%
● Male	1,827	93.45%



#### India

● Female	10	34.5%
● Male	19	65.5%



#### Vietnam

● Female	16	59%
● Male	11	41%



### What we're doing:

Monitoring salaries and the gender divide in management.

Maintaining our gender equality policy.

Through auditing, we're monitoring female-specific labour rights on maternity leave, no pregnancy testing and equal work-equal pay.

Gaining further insights into factories supporting families: child care, family health care, after-school programs, leave for parents with sick children.

Running annual gender assessments of our supply chain.

## Supply chain partnerships

Here's what we have in place to help make sure these values and codes of conduct aren't just talk; they're reality:

### External audit partner (Qualspec SgT)

Our external audit partner, Qualspec SgT, audits factories on our behalf to ensure our suppliers follow our Code of Conduct. Qualspec audits meet the highest professional standards, using ISO 19011 principles to determine Ethical, Social, Cultural (ESC) framework compliance.

### Independent grievance mechanism (QIMA)

An independent grievance mechanism is a process that individuals, workers or communities can use to raise issues. We believe it's important to have monitoring systems like this in place, particularly in factories. In 2022, we changed service providers and partnered with QIMA to roll out an independent grievance mechanism in our main factories. QIMA combines highly-trained CSR (corporate social responsibility) experts with a digital platform to ensure timely and accurate information is shared with us.

### Grievance process (QR posters)

All our supplier factories sign an HGH Code of Conduct and, in doing so, commit to providing a working Grievance Mechanism. If a worker in our factory base wants to contact our brands directly to raise a grievance, they can contact our head office via the HGH QR posters in our supplier factories. We have had the posters translated into the national language of each country.





# Data Management



Numbers and data might sound dry, but it's pivotal to our success as we strive for higher ESG goals. As we progress on our ESG journey, we have more (and more) data to store, process and manage. This has previously been a challenge for HGH, as we have access to more data providing greater visibility into our Tier 1, 2 and 3, so in 2023, we implemented a new software platform which manages and records end-to-end information about our supply chain.

This allows us to manage data about all aspects of the supply chain, including suppliers and their factories. The platform helps us with:

- traceability
- supplier and factory management
- wage gap analysis
- environmental attributes
- sustainability recording.

The platform captures and stores information in one central location, making it easier (and quicker) for us to see, identify and work on areas that need our attention. Audits and corrective action plans are kept in this system, as is data about gender gaps, wages, migrant workers, water and energy usage – and more. We can now create reports on different topics by supplier, factory or country, giving us clearer insights into how our supply chain is doing and where to focus our priorities.

# Making Better Material Choices

At HGH, we're all about designing and retailing quality menswear, womenswear, and accessories.

Our products, how they're made, and what they're made from, are at the core of our sustainability strategy. Choosing materials that are sustainably sourced is key. What do we mean by this? Well, we look for materials that have a lower negative impact:

## Stage 1

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Sourcing raw materials that have a lower environmental impact

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Using recycled inputs that reduce our reliance on virgin resources

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Using certifications to verify specific claims

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## Stage 2

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End-of-life textiles

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Having robust environmental standards in our supply chain

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Carbon product assessments

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Looking at our impact overall, we're excited that a small number of our factories have started using 3D fitting tools. 3D fitting tools give a virtual visualisation of the garments so that design checks, fit reviews and other approvals can be done without (or with minimal) samples. This reduces the number of resources used, and makes the process more agile. We'll continue to explore this tool (and others like it) across our supply chain.

In 2022, we launched our Fabric Matrix, which lists our preferred lower-impact materials. These are primarily natural fibres, like cotton, linen and wool. We also use semi-synthetic fibres such as viscose (modal, bamboo, viscose) – most of our 100% viscose products are certified as coming from sustainably managed sources.

We do still use virgin synthetic fibres in some of our products and we're working to increase the recycled content in these materials. We have big ideas, but we need to start with the most available and affordable resources in our supply chain.

#### From fibres to fashion

Another key component in lower impact materials is the textile production process. This is planned for Stage 2 of our strategy, where we'll focus on sourcing textiles produced in facilities with improved water and energy efficiency. In 2024 we will begin research into calculating the carbon in our products. This will be a huge body of work that we are excited to undertake.



## Fabric Sourcing Matrix

Certifications	Increase	Reduce	Do not use
OCS/GRS	Certified organic or recycled cotton	Conventional cotton	Angora Silk Fur Mohair Exotic skins
EUROPEAN FLAX®	Certified eco-linen	Non-certified linen	
LENZING™ ECOVERO™	Certified eco-viscose	Non-certified viscose	
GRS	Certified recycled polyester	Virgin polyester	
GRS	Certified recycled nylon	Virgin nylon	
GRS	Certified recycled wool	Virgin wool	



# Rising to New Standards

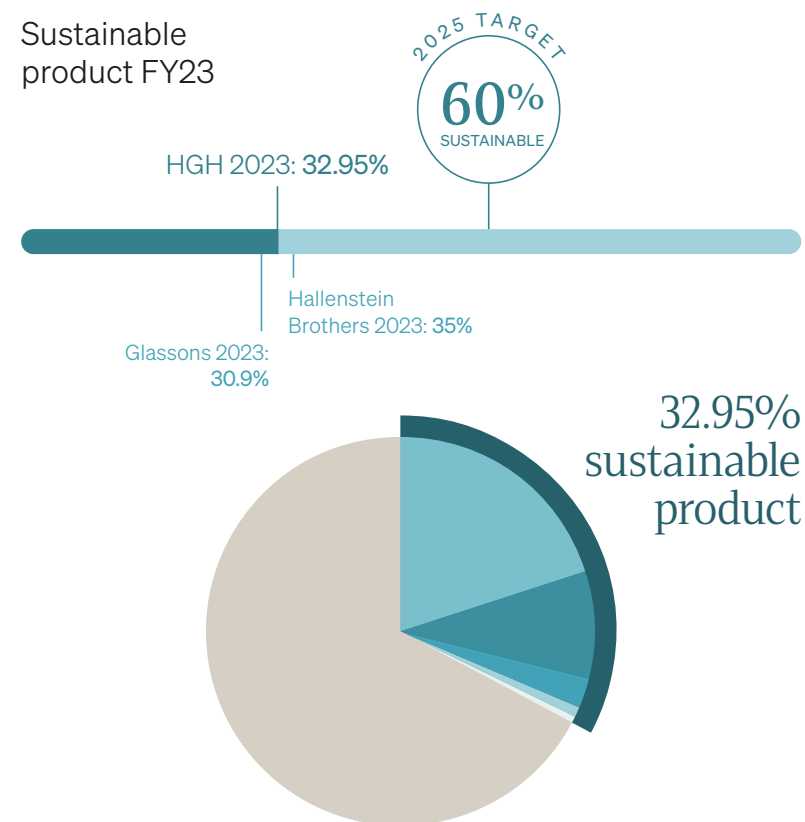
We've focused on ensuring our supply chain and the production and sourcing of our products meet globally recognised certifications. In early 2023, we were notified by the international certifying bodies that the expectations would go beyond those business-to-business (B2B) certifications, and that business-to-customer (B2C) certification was now required.

So as a brand, to meet these international standards, we now need to be certified ourselves, in order to label our product as GRS and OCS verified. We're an agile company and we're excited to do this, but this does mean that we've temporarily had to remove the 'Sustainably Sourced' labels from our swing tags.

It's good to see certification standards moving forward as the fashion industry develops and improves its ESG strategies and standards for the better. It's a fast-moving space, and we welcome the challenge to be even better. We're aiming to be fully certified under these new standards by December 2023.



## Sustainable product FY23



# Reducing Textile Waste

Early on in our sustainability journey, we identified reducing textile waste as one of the building blocks for success. Significantly reducing what ends up in landfill is an ambitious project and, ultimately, we're aiming for zero textile waste. Big goals like this need to be tackled from multiple angles. Here's what we're doing.

## Low stock

We're demand-driven and we hold no more stock than experience tells us we need.

## Quality control

We aim to create quality garments, with quality controls in place to keep mistakes (and therefore returns) low.

## Working with the best

We work with industry experts and product stewardship partners like The Formary, to help us reduce waste and develop our strategy. We're continuing to look for other partnerships in the take-back or textile end-of-life space too.

## UPPAREL partnership

Our partnership with UPPAREL is just one example of what we're doing in this space. UPPAREL are leading the way in New Zealand and Australia in the textile recovery and recycling space.

Faulty stock is one of the main contributors to textile waste. Even though we have quality control measures in place, mistakes sometimes happen. When this happens, we have three choices: give the items to charities, sell through our clearance stores at a reduced price, or send them to partners like UPPAREL.

On arrival at UPPAREL, the team meticulously sorts each item; that assessment dictates where the item goes next:

- Products that are fit-for-wear go to UPPAREL's Australian charity partners, including some grassroots organisations which give the items to those experiencing homelessness, or hardship.
- Items that are suitable for recycling are prepared for shredding. Hardware like buttons and zips are removed. The materials are then shredded down into loose fibres, which can be layered and compressed into different densities. This is used in insulation, couch cushions, mattresses and more – happily, this material can be recycled again and again!

## UPPAREL and Glassons, 2023

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4,714kg  
textiles diverted  
from landfill

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2,157kg  
greenhouse gases  
prevented

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We are so pleased that we were able to join forces to create a better planet and a brighter future for the next generation!

From the UPPAREL team

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# Quality Control, Front and Centre

For over 100 years, delivering quality, affordable fashion has been at the heart of H&M. We've always upheld quality, but today, this is more important than ever before. More than offering a quality product for our customers, quality control also means reducing textile waste and ensuring that the garments we make can be worn again and again.

We hold all our supplier factories to high standards and are working with them closely on quality control. Since Covid-related travel restrictions have been lifted, we've travelled to several of our Tier 1 factories to reinforce that this issue is front and centre.

Detailed and precise quality control practices need to be embedded at every stage. This means we must put a spotlight on every production step to reduce the risk of faulty products making their way into the supply chain, which results in unnecessary textile waste.

Our strategy here started with assessing our Tier 1 supply chain post-Covid, making sure they were aware of the standards in our production manual and the updated quality control manual. Where a factory wasn't up to standard, we worked with them on a detailed plan to help bring them up to scratch. We've also rated the performance of all our factories with our supplier performance scorecard system. This is a valuable tool that encompasses pricing, speed, quality, sustainability, compliance, and logistics.

Our aim is to help create factories whose social and manufacturing compliance is above average. This is win-win for both partners and will, in turn, mean our suppliers deliver high-standard, quality products that our customers can wear, use, and enjoy, for a long time.





# What She Makes, Oxfam Campaign

In last year's report, we told you about our Higher Wage Project. The findings told us that within any given factory, a percentage of workers are already earning Living Wage. Our next step is to expand our pilot project to cover all our main suppliers. Once we have captured a wider range of data we will plan the next stage of our roadmap. We have continued to monitor worker wages in 2023 to Living Wage benchmarks.

In 2022, we were approached by Oxfam to join their 'What She Makes' campaign. The campaign calls on fashion brands to ensure that the workers making their clothes are paid a living wage. It's based on five milestones over a four-year period, culminating in paying a living wage. At each milestone, we'll be rated on a scale of one to five stars.

Realising a living wage is complex and we see value in collaboration. However, it is important to state that we are on our own journey and our roadmap and milestones must work for our business.

Here's where we are at:



# Living Wage

## Supply chain wages: our finding for FY23

Over the last 12 months, we've continued to monitor wages paid to workers in our supplier factories. Right now our focus is on ensuring fair wages are being paid and we are encouraging movement towards living wage.

We looked at wages across 69 factories in the FY23 reporting period. These were based on a standard working week and excluded overtime. Here's what we found:

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14.5% pay a living wage or more

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85.5% pay a fair wage

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The percentage of factories now paying a living wage has remained fairly consistent. Next, we'll look at rolling this project out across more factories, to help us learn more about different factory wage structures.

Wait, what do all these wage terms actually mean?



### Minimum wage

Many countries have a minimum wage that's required by law. An employer must pay wage earners at least the minimum wage for work done over a given period. The minimum can't be reduced by a collective agreement or an individual contract. All our suppliers operate in countries that have minimum wage statutes for a standard working week.

### Fair wage

Our definition of a fair wage is that all workers earn above the minimum wage, and:

- are free to enter into collective bargaining agreements
- receive all mandated labour entitlements (for example, penalty rates, allowances, and holidays)
- have regular employment.

### Living wage

A living wage is defined as the minimum income that's necessary for a worker to meet their basic household needs. 'Household needs' includes food, housing, clothing, education, healthcare and transport. Exactly what is considered 'basic needs' and how this can be accurately measured across different countries and currencies is where things start to get tricky. Anker (used by the Global Living Wage Coalition) and the Asia Floor Wage Alliance are the most popular methods of calculating this. Increasingly, our factories use the Anker methodology. One distinction of the Anker way is that it fleshes out the definition of 'housing costs', to what it costs to live in a decent house (i.e. one that has permanent walls, doesn't leak, is ventilated and has amenities).

## HGH living wage statement

As a company, we pay a fair wage and support a living wage by working with our suppliers to meet living wage benchmarks.

A living wage should be earned in a standard work week (no more than 48 hours as a maximum) by a worker and be sufficient to afford a decent standard of living for the worker and their family. Elements of a decent standard of living include food, housing, and other essentials like clothing, education, healthcare, and transport. It should also include provision for unexpected events.

A living wage should allow individuals to work and help themselves and their families escape poverty.





# Ethical Fashion Report 2024



The Ethical Fashion Report was created in 2013 after the tragic Rana Plaza collapse in Bangladesh, which exposed worker conditions in the garment industry. The biennial report examines the way the fashion industry engages with worker rights and environmental practices throughout supply chains. Organised by the charities Baptist World Aid Australia and Tearfund NZ, it's become an industry benchmark in Australasia.

We've been involved since 2015 and we've found it to be a valuable tool to independently measure our performance within our People and Planet pillars. In 2022 we were proud to be graded in the report's top 20% in our industry.

This year, Baptist World Aid Australia and Tearfund NZ are reviewing their report to ensure it continues keeping up with international best practices. They plan to complete this process by the end of 2023, ready to begin the research round for 2024.

## Modern Slavery Statement

We've published a Modern Slavery Statement, prepared in accordance with the Australian Modern Slavery Act 2018. This statement outlines how we combat risks of modern slavery and reduce the risk of it happening within our operations. Our position is crystal clear. We act ethically in all our business relationships and take decisive action to eliminate any modern slavery practices.

# Rekindling Old Relationships: China

It had been almost four years since our last visit to China, so seeing our suppliers in China face-to-face again earlier this year was an absolute pleasure. COVID-19 has had a big impact in China and lots has changed as a result. But our team was welcomed and it was great to reconnect. The history we have together and the foundation we've established over many years is very strong and continues to be so.

## A textile giant

After the millennium, China's textile exports boomed and it quickly became the biggest garment-producing nation in the world. But in 2015, the manufacturing industry had a turning point. Changing geo-politics meant many brands – including HGH – moved some of their garment production to countries in Southeast Asia to diversify their supply chains. The garment-producing industry has become more competitive, but China is still the world's largest textile-exporting country, accounting for more than 30 per cent of worldwide apparel exports in 2022.

China's textile industry has slowed down its growth in recent years and has begun to focus on building more sustainable and technology-intensive manufacturing solutions. Chinese manufacturers have been quick to adopt innovative technology and to respond to consumer demands (like the move to more sustainable and sophisticated processes), whilst maintaining a reputation for fast, precise work.

Though a lot has changed in China recently, the textile industry pushes forward with determination, continuing to hold its reputation as a giant in producing garments.







# Planet



# Our Climate Journey



In our 2022 report, we talked about creating our Carbon Reduction Roadmap. It's been one of our biggest-ever projects and required us to measure our carbon footprint – no small task! We have spent the last few years working with our partners to ensure we can measure our carbon footprint as accurately as possible. We have engaged carbon specialists, Tadpole, to keep us moving in the right direction, and over the next six months, we'll finalise our roadmap using science-based targets to help us achieve meaningful carbon reduction. Next, it's time to put the roadmap into action and reduce our carbon footprint based on these figures and targets. We'll release our footprint and roadmap in 2024.

## Climate-related disclosures

This year, we joined the NZ Retail Sector Climate Change Scenario project alongside some of New Zealand's largest retailers and KPMG. This substantial project is designed to help prepare New Zealand businesses with their reporting requirements under the new Climate-related Disclosures Act. We must meet these new reporting standards for the year ending 1 August 2024.

Under the legislation, we're required to do three climate-related scenario analyses. These explore the potential impact of a global average temperature increase of 1.5°C and 3°C, plus a third scenario relevant to our industry. Participating businesses developed three 'integrated' scenarios, exploring climate change's physical and transition-related impacts. The scenarios were modelled considering New Zealand's retail sector as a whole. Now, we have the work ahead of us to take this modelling and make it applicable to our business operations.

Alongside this work, we asked Tadpole to assess our current position and performance against the NZ Climate Standards. These standards fall under four pillars (Governance, Strategy, Risk Management, and Metrics and Targets) and are a requirement of the new Climate-related Disclosures Act. To get this underway, Tadpole conducted interviews with members of the Hallenstein Glasson team to identify gaps in the business's current disclosures and understand what climate-related risks and opportunities we face now and in the future.

We're excited to begin the next body of work describing our adaptation strategies and resilience building. Watch this space.

# Less is More

Waste. We know we need to work hard in this area, collaborating with key partners to maximize the three Rs: Reduce, Reuse, Recycle.

We are lucky to be partnering with EnviroWaste, Waste Pro, and the Better Packaging Co., to ensure that we can stay on track with our goals to reduce our waste.

## About waste to landfill

In 2020, we ambitiously made a commitment to reduce waste to landfill from our NZ distribution centres. We're working hard to ensure most of our waste goes into recycling streams. However, we continue to see increases in waste to landfill. Our Auckland DC experienced a significant increase in waste to landfill during the Auckland lockdowns. Since then, the monthly weight has continued to be higher on average, compared to previous years. We've asked our contractor to do a waste audit so we can better understand our waste profile and what's happening here. We'll also do refresher training on waste separation with staff.

## Waste to landfill from Distribution Centres

### New Zealand

	FY23 (Aug 22–Jul 23)	FY22 (Aug 21-Jul 22)
Glassons (NZ)	9,185kg	8,155kg
Hallenstein Brothers (NZ)	23,500kg	12,464kg



	FY23
Recycling rate	68.6%
Waste to landfill rate	31.4%



NZ base year for the 2025 target is FY21. This is because we couldn't get a full year's worth of data during our first year of reporting.

### Australia

	FY23 (Aug 22–Jul 23)	FY22 (Aug 21-Jul 22)
Glassons (Australia)	10,070kg	7,506kg



Glassons Australia DC achieved a 81.09% monthly average recycling rate. Our partners WastePro are working with our DC to improve this rate over the next 12 months.



Australia base year is FY22. This was the first year we started reporting.

## Energy saving — lighting

We're moving to eco-friendly LED lighting in our stores.

### Sites converted to LED lighting

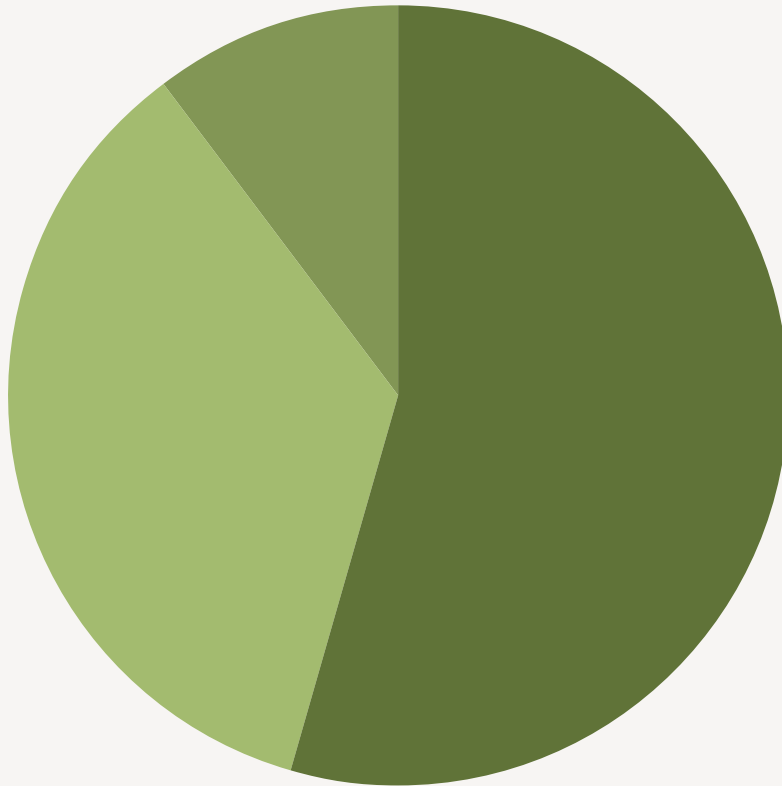
Glassons (NZ)	34 of 36
Hallenstein Brothers (NZ)	40 of 42
Glassons (Australia)	36 of 36
Hallenstein Brothers (Australia)	4 of 4



2023: 96.6%



# Packaging in Numbers



What makes up our packaging across HGH

● Polybags	54.54%	Mix of compostable and recyclable
● Paper carry bags	35.17%	Biodegradable
● Courier bags	10.26%	Mix of compostable and recyclable
Reusable tote bags (not visible on chart)	0.03%	Made from natural fibres





# Visual Merchandising in Numbers

Reducing the environmental impact of our visual merchandising is an ongoing mission. Having recently ditched the use of magnetic signage due to a lack of recyclable options, we've been transitioning our in-store visual merchandising to products that have longevity or are recyclable. Our mirror display units are a good example. Also, from November last year, we started using recyclable decals across all of our stores.

## Reduce, reduce, reduce

We've really made an effort, making big reductions.



### Glassons visual merchandising highlights:

We've had a big reduction on in-store graphics remix – our graphics are now updated each season (every six months) instead of every three months.

All materials in graphics are fully recyclable.

Outlets have been moved to generic Sale Pos and we've reduced outlet print by 60% in the last year.

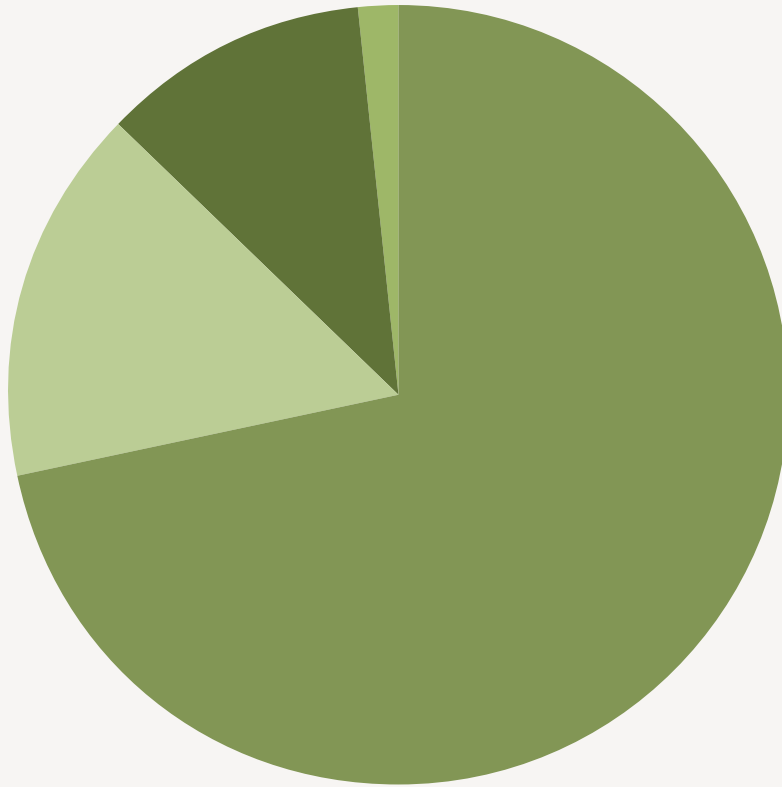
### At Hallenstein Brothers:

21 percent reduction in banners beings used, with a focus on designing windows without banners.

Printing fewer windows and using the designs across four to five weeks (instead of three).

Reducing waste through the introduction of reusable Perspex POS holders (and using FSC-certified paper in them).





## Visual merchandising materials profile

	% of VM materials	How much is responsibly sourced?	End of life
● In store POS	71.5%	100%	100% recyclable
● Window decals	15.5%	65%	100% recyclable. HB waste is recycled into plastic farm poles.
● Window banners	11.0%	100%	100% recyclable
● In store posters	1.5%	80%	100% recyclable

We're continuing to swap out less responsible materials in favour of more responsible ones in our advertising, as well as reducing the amount of materials used overall. This has been achieved without compromising the vibrant, unique retail experience that our customers love.

Glassons has reduced the printing of in store graphics by continuing to develop and improve our store refit design, which has more focus on digital content and displays to reduce print requirements for new imagery.

Hallenstein Brothers has invested in store design to reduce the reliance on VM materials. A new range of mannequins was launched which significantly reduce the need for window banners.



# People





# Shopping Seamlessly



During the COVID-19 pandemic, the retail landscape changed. Like many in the industry, we had an influx of online sales while brick-and-mortar stores quietened. Now that customers are enjoying the social aspect of shopping again, online sales are settling back to pre-Covid levels. We want our customers to enjoy a seamless approach to both our in-store and online experiences. So when they visit either store they have the same experience.

We are excited to continue to develop our online presence and the convenience online shopping gives our consumer. From 'coming soon' highlights to same day delivery, shopping at HGH is at your fingertips.

If you'd prefer to shop in person, it's likely there's a store near you. We want to give you the ultimate shopping experience, with refreshed store fit-outs to elevate the brand interaction, and customer service that excels.

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We want our customers to enjoy a seamless approach to both our in-store and online experiences.

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# Growing Digitally, Growing Globally

Social media is another way we connect, authentically, with people. It enables us to have two-way conversations with our customers and reach out to new audiences around the world. Influencer marketing connects people with the 'runway', creates new style trends and provides a platform for our customers to share their Glassons and Hallenstein Brothers experience.

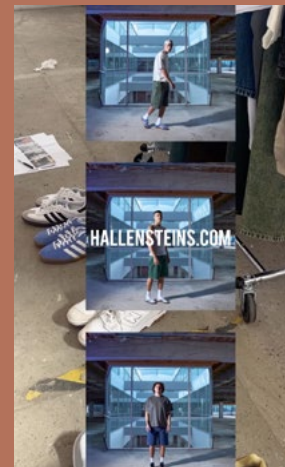
Here's how our social media communities are growing:

## Glassons platforms

Instagram	687,300
Facebook	202,000
TikTok	191,409

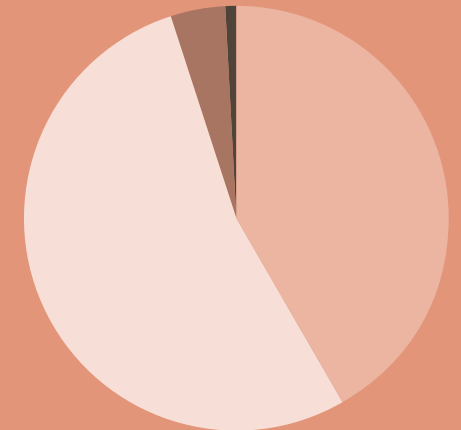
## HB platforms

Facebook	148,000
TikTok	69,400
Instagram	57,300



## Online sales for FY23

Total sales	
New Zealand	41.80%
Australia	53.40%
USA	4.09%
Global other	0.71%





# Caring for our People

There are many reasons for developing mental health strategies for the workplace. A safe and healthy workplace is good for our people – and it's good for business, as it can help reduce absence due to sickness.

The knowledge, empathy, and attitude of HGH managers and leaders can have a big positive impact on the wellbeing of our wider workforce. Retail attracts a predominantly young workforce, and this puts managers and team leaders in a position where their colleagues trust and depend on them for help. They play a pivotal role in team wellbeing through the behaviour they model and encourage, their ability to observe and act when they notice team members having a tough time, and in helping people get back to work after sickness-related absences. It's an important role.

Since the COVID-19 pandemic, mental health in the workplace has come under the spotlight, particularly for the managers and leaders on the 'front line'. So in 2023, we've put more focus on supporting these key team members through mental health and wellbeing workshops.

## Hallenstein Brothers

Hallenstein Brothers has teamed up with Raise (formerly EAP) to roll out a series of mental health and wellbeing workshops for managers and team leaders. The goal of these workshops is to give our managers the tools and support to confidently de-escalate high-risk situations and facilitate positive mental health in their branches.

These workshops include information on how to:

- understand the signs and symptoms of poor mental health
- access support for staff and managers
- create a safety care plan for at-risk employees
- manage difficult conversations.

## Working with Raise

Raise is a New Zealand network of practitioners, counsellors, psychologists, and other providers who offer a range of services that promote positive work communities. Raise ran a discovery session with Hallenstein Brothers managers from stores across the country and listened to the issues they often face. This helped to define the purpose of the workshops to better educate and upskill the management team, not only to improve health, safety and wellbeing in the workplace but also to help ensure they can cope better themselves and take care of their own mental health needs.

## Glassons Australia

In May 2023, regional managers from Glassons Australia attended a session on workplace mental health and how to create a safe and healthy work environment. The session was hosted by specialist HR consulting firm FibreHR and provided our managers with improved knowledge, confidence, and tools to manage mental health at work. The session also covered:

- the prevalence of mental health issues
- how to spot changes in behaviour that may indicate a wellbeing issue
- how to have effective conversations about stress, mental health, and wellbeing
- what resources are available to help (and how managers and their teams can use them)
- supporting a team member returning to work after a period of absence
- how managers can behave to promote wellbeing in their team
- how to look after personal wellbeing.



# Investing in our Team

We value our employees and we're very aware that ongoing training and development is the key to our success as a business. Whether in-house or further afield, organising education and training opportunities for our people is an investment we're happy to make. Made with Care extends to our people too.

## Education, workshops and training

In the last 12 months our employees have participated in further education opportunities abroad. Here's what they had to say.

### Harvard Leadership Training

Head of Creative, Elektra Kordov, attended Harvard Leadership Training to learn about how to cultivate a positive team culture. The training included how to manage a team and shape it through constructive discussions, mentoring and setting clear team goals and objectives.

"This was a fantastic week for me, highlighting areas to work on in regards to myself, my team and my influence on others. We also talked about guiding teams through change and how to create an innovative culture which felt very relevant. Specific learnings that felt relevant to me were the three imperatives of leadership – your network, your team and yourself."

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"This was a fantastic week for me, highlighting areas to work on in regards to myself, my team and my influence on others."

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### National Retail Federation Retailer's Big Show

National Operations Manager, Jodie Gibson, attended the 2023 National Retail Federation (NRF) Retailer's Big Show in New York. The event covered leadership styles and strategies and was an opportunity for Jodie to network with others in the industry and swap ideas. New technology, tools and methodologies to improve team productivity and efficiency within a team were also shared at the event and Jodie says she's returned with a renewed focus and a wealth of ideas that can be applied at work.

"The Retailer's Big Show in New York left me inspired and equipped with a wealth of knowledge. Throughout the event, I delved into various aspects of leadership, innovation, and the significance of removing friction points to enhance both customer experience and team development."

### Hallenstein Brothers Roadshow

In November 2022, 80 Hallenstein Brothers managers from across Australasia gathered for their annual conference where they learned about new products for upcoming seasons, received some training and even enjoyed some friendly competition. It's always great getting the team together!

We want to empower our teams to join us on our sustainability journey, so the 2022 roadshow also took on an environmental theme. We decided to start at the beginning – going back to the fundamentals of what causes climate change, the sources of Greenhouse Gases (GHG), and emissions at work, home and in the community.

Sustainability specialists Tadpole joined the team for the afternoon to help inspire action. Tadpole provided valuable insights into climate change, the impact of the fashion industry and how our own behaviour can make a difference.

A fun quiz (which, we're pleased to say, the managers passed with flying colours) helped to cement their newfound knowledge. Hallenstein managers have returned to their stores with some valuable tips to share with colleagues, friends, and family.

### KiwiSaver Workshop at HGH New Zealand head office

As we're all experiencing the challenges of rising living costs, we believed a workshop covering all things money – savings, super and investments – would be both helpful and interesting to our people. We were right. A packed conference room greeted the speakers from non-profit fund managers Simplicity.

We learnt more about KiwiSaver, choosing the right investment portfolio, understanding fee structures and took a look at how the global market and events can shape our investments – such as inflation, war, and climate change.



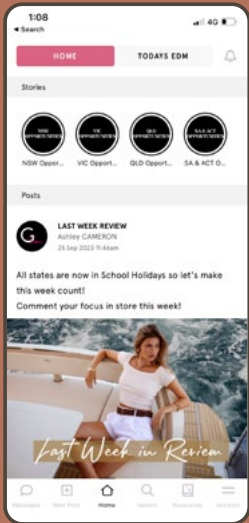
# Technology across the Business

We have always invested in technology and, even as we write this report, we're working on our next exciting project: radio-frequency identification (RFID) technology. This will transform the way we can see our business. RFID tracks the movement of stock, providing real-time data on the product's history, quantity, location and destination. RFID manages inventory data which aids us to reduce wastage. It's used globally and is something we're ready to adopt.

RFID will be rolled out across all our stores, giving us greater stock accuracy and control throughout our supply chain. More importantly, it'll align our customers' online and in-store shopping experiences.

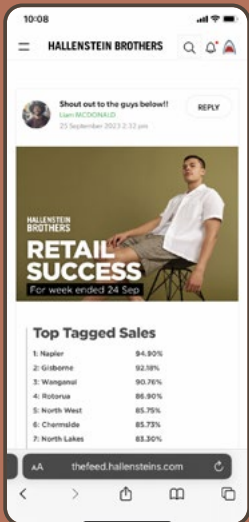






## POSY

We've developed an app called POSY for our teams working in Glassons Australia and New Zealand. It's an in-house communication tool, with a handy messaging platform that enables teams to easily and effectively communicate and collaborate. Our new onboarding programme, which helps train new team members, will sit on the app too.



## The Feed

The Feed is an internal social platform that was developed to drive engagement, culture, succession and teamwork within Hallenstein Brothers. The team can view the latest ranges and social media posts, and stay informed on what's happening in the business. All of the team induction and training materials are on The Feed and we can track individual team members' progress on their HB journey. The platform is on-brand, with a similar look and feel to our website, so our team get a consistent, trend-focused experience across all of our platforms.

We've rolled out technology packs across all our Hallenstein Brothers and Glassons stores. These include:

Headsets, so team members can easily communicate with each other.

PODS which help with workflow and assisting customers

Honeywells (portable stock guns), a new addition in select stores for more efficient stock management processes.



# Clothes to Community Causes



There's no better way to support our community than to share our product. For many years, we've donated excess clothing collected from our head offices to non-profit organisations and charities in our community. Working with established non-profits and charities gives us confidence that these donations go where they're needed – and we can get feedback on what is (and isn't) useful. More recently, we've made a considered effort to support charities that align with our brand mission, so that together, we can make a bigger positive impact.

This is on top of the work we already do with partners like Upparel (who distribute good-quality clothing as well as recycling clothing that can't be worn into something else). We love doing this. It supports those in need, gives clothing a new (and meaningful life) and helps keep our product out of landfill.

Where we donate clothes:

## Glassons

- Koha
- Dress for Success
- Women's Refuge
- Rainbow Youth

## Hallenstein Brothers

- Salvation Army
- Fixuplooksharp.org
- Fosterhope.org.nz
- Special Olympics Auckland Trust
- New Zealand Ethnic Women's Trust  
(Unisex clothing – sweats, trackpants etc.)



# In Addition

We're proud to get involved with our communities and get stuck in with broader initiatives, too.

## Gumboot Day

**Glassons Christchurch Distribution Centre, Nov 2022**

Our Christchurch distribution centre staff got behind the charitable trust I Am Hope – Gumboot Friday initiative. Team members donned their gumboots for the day and donated gold coins to raise funds for free counselling services for children and young adults.



## Pink Shirt Day

**Hallenstein Brothers Auckland Distribution Centre, May 2023**

This is the second year our Hallenstein Brothers Auckland distribution centre has worn pink for Pink Shirt Day and there were awards for best-dressed! This annual anti-bullying awareness campaign is something our team and their families are passionate about. It all started when a team member's daughter experienced bullying at school and we wanted to do something to support her and other young people going through similar situations. The day is about recognising that bullying can happen in the school or workplace – and that it's not okay. But it's also about coming together as a team, creating a positive working atmosphere where everyone is valued, and having fun.





# Staff by Numbers

As is typical of the retail fashion industry, our team is female-dominant. But behind these numbers is a diverse and inclusive workforce we're proud to celebrate. We're an Equal Employment Opportunity employer and everyone who joins our team is supported with a comprehensive induction programme.

During the period in review we introduced a new digital reporting system that records injuries, hazards and incidents of theft and aggressive behaviour. This has improved our understanding of the nature and number of incidents that have impacted our teams and has allowed us to respond with solutions tailored to suit individual circumstances. It has also directed us towards areas where we can improve the standard of equipment our stores and Distribution Centres use.

Staff are encouraged to report all injuries including scrapes, tweaks and scratches in order that we can ensure we're providing a safe working environment. Our statistics also include customers who may have suffered a medical event or similar incident while visiting our premises.

Raise counselling is available to all team members across the group. Access is not limited to dealing only with work related challenges that an employee may be experiencing.

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74 injuries

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6 near misses

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146 sessions with Raise, our mental health support service

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Our employee numbers are a head count at FY end. Our numbers have changed little since last year:

## Glassons

New Zealand	Permanent full time	Permanent part time	Casual	Total
● Female	213	266	13	492
● Male	11	8	1	20
Total				512



Australia	Permanent full time	Permanent part time	Casual	Total
● Female	203	92	766	1,061
● Male	7	0	17	24
Total				1,085

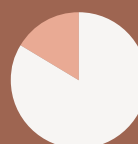


## Hallenstein Brothers

New Zealand	Permanent full time	Permanent part time	Casual	Total
● Female	98	152	7	257
● Male	99	148	11	258
Total				515



Australia	Permanent full time	Permanent part time	Casual	Total
● Female	7	7	1	15
● Male	5	11	5	21
Total				36



## Managers

● Female	83.80%
● Male	16.20%

## Part 3

# GRI Standards

## Behind the Detail



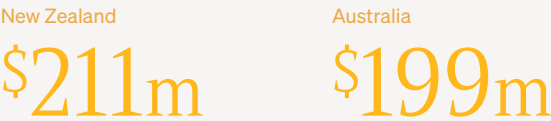
# Financial Performance

As you'll understand from the rest of the report, numbers only tell part of the story. But, however dry, it's an important part and one which gives a high-level view of HGH.

Take a peek at our balance sheet. This shows our financial performance, the number of employees and the scope of our operations.

## Financial performance

### Annual sales



### Annual capital expenditure



### Net assets



## Employees

### Glassons



### Hallenstein Brothers

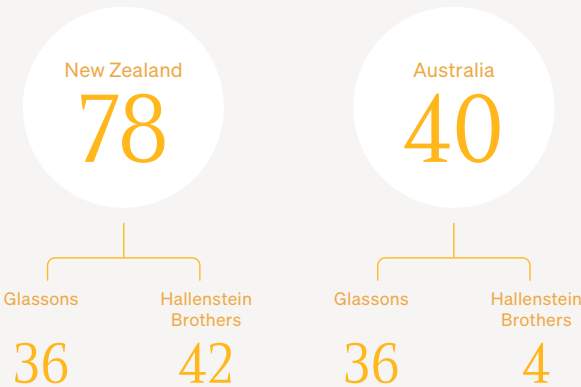


## Operations

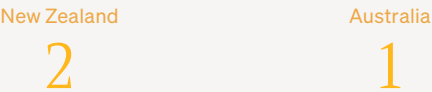
### Our brands



### Growth of stores



### Warehouses or distribution centres



### Our suppliers





# Our Guiding Principles

## Group



### Team Success

We win and work,  
as a team, not individuals



### Innovation and Creativity

in all aspects of our business



### Trust and Respect

of each other, our teams, our  
customers and our business



### Change is Good

Constantly challenging  
ourselves to find a  
different or better way



### Customer Obsessed

A relentless focus everyday



### Speed and Agility

Act decisively and with urgency



### Integrity

Doing what we say we will

## Shareholders



Delivery of sustainable, long-term returns  
to shareholders through consistent sales  
and profit growth across the group.



Delivery of sustainable and growing dividends  
as a result of consistent performance  
and growth in profitability.



Maintain a strong and healthy  
balance sheet.

Sharing this helps to demonstrate to our stakeholders and customers that buying  
a garment from us, or investing in us, is a sound choice, ethically and financially.

# GRI Index

**Statement of use** Hallenstein Glasson Holdings Ltd has reported the information cited in this GRI content index for the period 2 August 2022 to 1 August 2023 with reference to the GRI Standards.

**GRI standard used** GRI 1: Foundation 2021

## General disclosures

**GRI standard used** GRI 2: General Disclosures 2021

Disclosure title	Number	Page(s)
<b>The organisation and its reporting practices</b>		
Organisational details	2-1	2
Entities included in the organisation's sustainability reporting	2-2	2
Reporting period, frequency and contact point	2-3	2
Restatements of information	2-4	n/a
External assurance	2-5	57
<b>Activities and workers</b>		
Activities, value chain and other business relationships	2-6	7, 19, 55
Employees	2-7	53
Workers who are not employees	2-8	n/a
<b>Governance</b>		
Governance structure and composition	2-9	14
Nomination and selection of the highest governance body	2-10	<a href="#">Board charter</a>
Chair of the highest governance body	2-11	14
Role of the highest governance body in overseeing the management of impacts	2-12a	15 <a href="#">Board charter</a>
Delegation of responsibility for managing impacts	2-13	15
Role of the highest governance body in sustainability reporting	2-14	2
Conflicts of interest	2-15	<a href="#">Code of Ethics</a>
Communication of critical concerns	2-16	16, 21, 22
<b>Strategy, policies and practices</b>		
Statement on sustainable development strategy	2-22	5-6
Policy commitments	2-23	21 – 23
Processes to remediate negative impacts	2-25	6, 16, 25

Disclosure title	Number	Page(s)
Mechanisms for seeking advice and raising concerns	2-26	6, 16, 25
Compliance with laws and regulations	2-27	n/a
Membership associations	2-28	20, 25
<b>Stakeholder engagement</b>		
Approach to stakeholder engagement	2-29	10, 11
Collective bargaining agreements	2-30	23, 33

## Disclosures on material topics

**GRI standard used** GRI 2: General Disclosures 2021

Disclosure title	Number	Page(s)
Process to determine material topics	3-1	11–13
List of material topics	3-2	5, 9
Management of material topics	3-3	<i>Product pillar</i> 21–25, 25–33 <i>Planet pillar</i> 38–42 <i>People pillar</i> 46–52

## Topic specific disclosures

Disclosure title	Number	Page(s)
<b>Materials</b>		
Recycled input materials used	301-2	27–29
Reclaimed products and their packaging materials	301-3	30
<b>Effluents and waste</b>		
Waste by type and disposal method	306-2	30, 39–40, 42
<b>Supplier environmental assessment</b>		
New suppliers that were screened using environmental criteria	308-1	21–22

Disclosure title	Number	Page(s)
<b>Occupational health and safety</b>		
Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	403-2	53
<b>Diversity and equal opportunity</b>		
Diversity of governance bodies and employees	405-1	14, 19, 53
<b>Freedom of association and collective bargaining</b>		
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1	23
<b>Child labour</b>		
Operations and suppliers at significant risk for incidents of child labour	408-1	21–22
<b>Forced or compulsory labour</b>		
Operations and suppliers at significant risk for incidents of forced or compulsory labour	409-1	21–22
<b>Human rights assessment</b>		
Operations that have been subject to human rights reviews or impact assessments	412-1	21–22
Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	412-3	20–22, 26, 32, 35
<b>Supplier social assessment</b>		
New suppliers that were screened using social criteria	414-1	21–22
Negative social impacts in the supply chain and actions taken	414-2	21–22





**HALLENSTEIN  
GLASSON** HOLDINGS  
LIMITED

Find out more at  
[hallensteinglasson.co.nz/sustainability](https://hallensteinglasson.co.nz/sustainability)