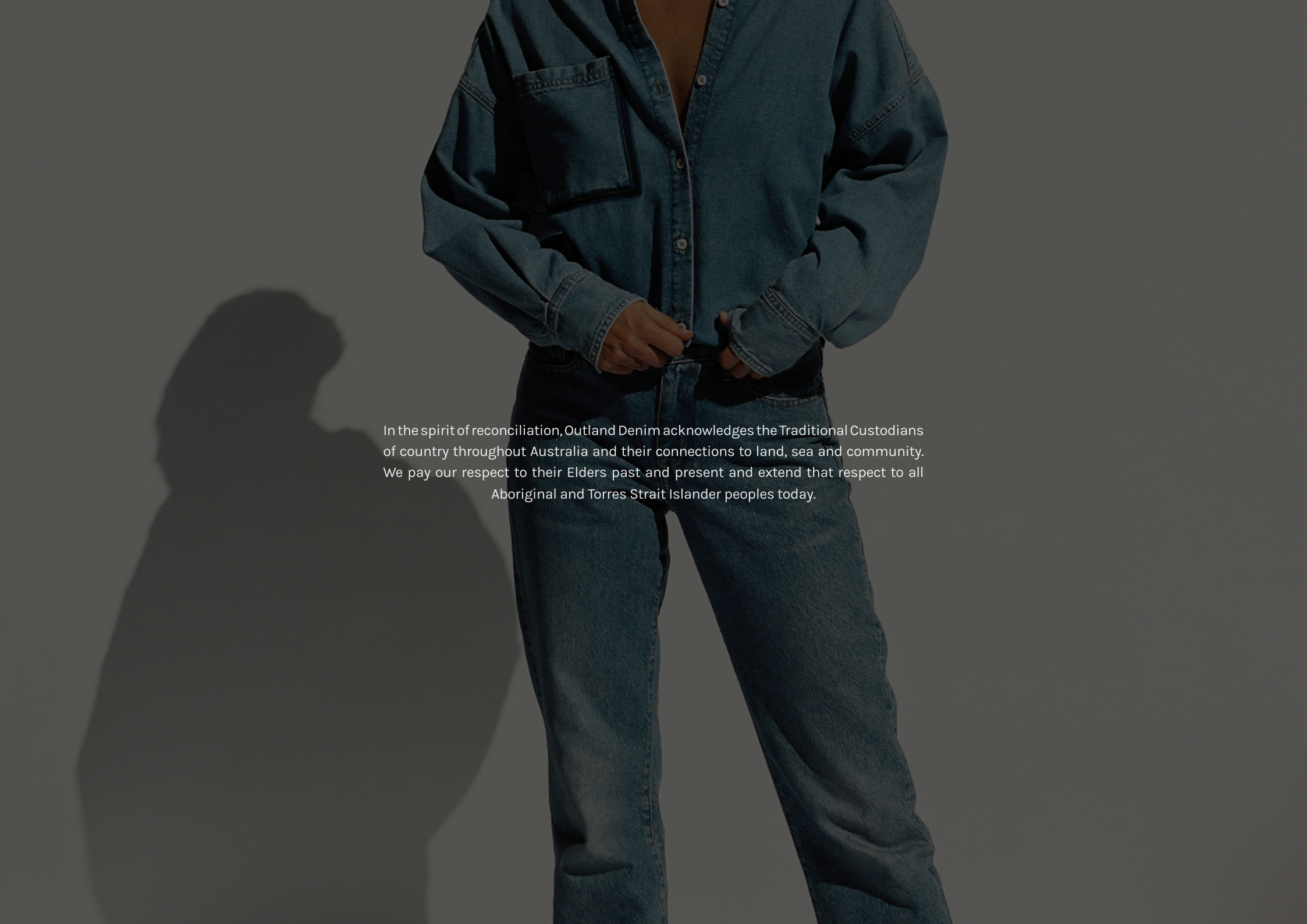


2022 Progress Snapshot

July 2021 - June 2022



OUTLAND DENIM

A person is shown from the waist up, wearing a light blue denim button-down shirt and dark blue denim jeans. They are standing against a dark grey background. A soft shadow of the person is cast onto the background to their left. The person's hands are near the waist of the jeans.

In the spirit of reconciliation, Outland Denim acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Letter From James

Our 2022 Impact Report comes at the end of another challenging year for our company, our customers, our staff and the shareholders who carry the financial risk of our current and future success as a sustainable fashion brand. Just when we thought the tide had turned and the world was returning to a post-Covid version of normal, Russia's invasion of Ukraine caused the world to spin once again, sending another set of shockwaves across global supply chains. As a result, fashion retailers have been cautious, and after a rather optimistic bout of "revenge spending" and lockdown induced online shopping (notably on loungewear, not denim), customers who are not buying from Shien have been watching their discretionary spending dollars.

What does this all mean for a company like Outland? Survival.

Our sales projections missed the mark just as our costs of doing business increased (for example, in 2021, cotton prices rose to an average of 40% higher than in 2020)*. As a result, we humbly concede that we haven't been able to meet some of the bigger ambitions we had set for ourselves in past Impact Reports. We have cut back costs, reconciled our ambitions with our current capacities, and reassessed where we are going and why in order to tackle the future on more sure footing.

Sadly, despite paying a living wage, we were unable to provide our Cambodian staff with the overtime hours to which they had become accustomed. This has meant that some of the people previously benefiting from employment with Outland Denim have gone on to pursue alternative

wage making options. While exit interviews with a sample of staff have helped us to understand some of their choices, it's our hope that every single person who comes to work with us has benefited in some way from doing so.

For all these challenges, it's also important to zoom out and celebrate the highlights we have been able to achieve in spite of this period. In compiling this report, when we reviewed our social impact, there was a clear theme - personal growth.

- **62% of staff reported a growth in their sense of achievement;**
- **40% reported a growth in their leadership skills;**
- **80% reported a growth in positive mental health; and**
- **39% received a promotion.**

To think about the backgrounds that some of these team members have come from, and the things that they have experienced, I am so proud to see this impact. Yes, money is key, education is key, employment is key, but to know we have helped people improve how they think about themselves - there is no greater metric.

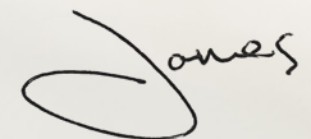
But what does the future hold?

It is not cheap to do things the right way. As fashion journalist Rachel Deeley has noted, "*Better materials, lower-impact manufacturing and ensuring decent conditions and pay for garment workers all come at a cost.*" We will continue to invest into our people, produce sustainable apparel that our customers love, and pursue R&D projects for a cleaner operation overall. But we cannot do this alone.

I would like to take this opportunity to publicly thank our staff for their dedication under duress: they have shown exceptional character. It's one thing to be on board when times are good but quite another when they are not. I would also like to thank the shareholders and customers who have committed to our company, its products and its people.

Our Impact Report is our record of the past, our roadmap to the future, and our social contract with you, our customers, retailers, shareholders, industry associates and staff. We value and welcome your feedback by contacting freedom@outlanddenim.com and ask that you join us in sharing about our work, our brand and our impact as you go about your lives: it does make a difference.

Thank you,



* <https://www.iisd.org/system/files/2023-01/2023-global-market-report-cotton.pdf>

Your Positive Impact Flow



The Highlights

The multi-trillion dollar fashion industry has an extraordinary influence on the lives we live, the products we buy and, of course, people and the planet. Here is what we did to affect industry change this past year.

93%

We increased use of natural fibres to 93%. That's an 8% increase in natural fibres and 8% decrease in synthetics year-on-year.

237 Hours

We delivered 237 hours of upskilling and education in areas including personal finance, languages, health, and self defence.

39%

The proportion of our Cambodian team receiving a promotion; 40% reported growth in their leadership skills.

90.5%

The proportion of Cambodian team members tested for cervical cancer for the first time; 89.5% of team members learnt about cervical cancer for the first time.

36%

Reduction in our brand carbon emissions compared to our 2021 baseline emissions.

6.46M

The annual audience reach of our Sağ Salım communications program in Türkiye in partnership with PSG, Bossa, Nudie.

The Highlights

The multi-trillion dollar fashion industry has an extraordinary influence on the lives we live, the products we buy and, of course, people and the planet. Here is what we did to affect industry change this past year.

7.9M

Our estimated media impressions. Helping us reach new, humanity-loving customers while pushing 'sustainable' fashion further into the mainstream.

17

Industry speaking engagements giving us the opportunity to share our methods with industry and influence the future of fashion for good.

5

Industry Leaders

We engaged industry leaders Grace Forrest, Co-founder and Director of Walk Free, Amy Smith, Chief Advocacy Officer for IJM Australia, Justine Nolan Director of the Australian Human Rights Institute at UNSW Sydney, Chris Crewther, Global Fund to End Modern Slavery and Modern Slavery Advisory Expert Group (proponent of Australia's Modern Slavery Act) and Jennifer Burn from Anti-Slavery Australia to address the issue of modern slavery for Fashion Revolution Week 2022.

5

Industry Wins

In 2022 Outland Denim was awarded the Common Objective Leadership Award and named a B Corp Best For The World Honouree in the area of Community. We were also named a finalist in the World Justice Challenge for our involvement in the Sağ Salim program. Outland Denim Founding CEO James Bartle and R&D Product Development Manager Serhat Şen were named finalists in Rivet50's "Most Influential In The Denim Industry."

200%

Increase in External Production

To create a real, scaleable impact we can't do it all ourselves. *"We have the capacity to bring on board other brands, and this gives us the opportunity to offer more work to those in need. As a brand that has spent years investing in this business model, it's not lost on us the resource this would require of other brands - if we can share our model with them, why not?"*
- Outland founding CEO James Bartle speaking to Vogue Magazine

The Lowlights

Just as we reflect on the year's highs, it's just as critical that we reflect on and share with you the areas where we can do better, fell short of our own expectations or regrettably missed the mark.

26.2%
Staff Attrition

Attrition in Cambodian staff numbers, which coincided with a reduction in overtime hours* after two years of sustaining our workforce through Covid-19.

17%
Staff "High Risk" to Vulnerability

Vulnerability is at the root of exploitative behaviour such as modern slavery, an injustice that affects an estimated 49.6 million people globally. Read more in our Social Impact section.

6%
Material Volume is Synthetic

While this is down 8% year-on-year, virgin polyester, recycled polyester and elastane remain part of our fabric composition for some of our styles. Read more in our Raw Material breakdown.

What is attrition?

Staff attrition refers to the loss of employees through a natural process, such as retirement, resignation, elimination of a position, personal health, or other similar reasons. With attrition, an employer will not fill the vacancy left by the former employee. While we hope to provide a work environment that is desirable to be in and contributes to the thriving of all parties touched by our impact, we do not force or coerce staff to work with us. Staff are free to put in their notice when they decide to move toward a preferred employment option for them and their families (for many staff, working at Outland is a means, not an end).

*Notably, there is no forced overtime at Outland Denim; overtime hours are voluntary and capped at two hours per day in busy production seasons in keeping with Cambodian law.

"During my four years of employment I learnt many new styles and got knowledge from the library to share with my family. I think I will take the leadership skills with me to lead myself and my family. Before working here my family had many troubles in life. But now I have saved some money from my employment here to pay for my kids' insurance every year and take them to study at private school. My experience at Outland taught me to work like a team. Everyone can share ideas and help each other. I would like to say thank you so much to the team in Cambodia and Australia who support us so much. I will never forget Outland Denim."

- Outgoing staff member Long Polin, business owner, employed 4 years at Outland Denim

How The Outland Denim Model Works

We all deserve the opportunity to create a better life for ourselves, our families, and our children. Sadly, not everyone has this opportunity. Outland Denim exists to create a cycle of freedom for the people it directly employs.

Vulnerability and Exploitation

Vulnerability is at the root of exploitative behaviour such as modern slavery, an injustice that affects an estimated 49.6 million people globally.* This vulnerability to exploitation can cause negative generational cycles, including a lack of access to education and healthcare, poverty wages and debt, to persist within families and communities. To support these people is the reason we exist.

3rd Party NGOs

We partner with NGOs that work with individuals who have experienced modern slavery. These organisations support survivors in identifying a career they would like to pursue. Where there is availability in the Outland team, those interested in the garment industry are matched with us at Outland.

Opportunity

Opportunity is the key to resolving systemic issues individuals face, and key to supporting them holistically.

Upskilling

Over 2-3 years trainee staff gain a deep knowledge in the areas of cutting, finishing and sewing.

Financial freedom

Team members have the opportunity to earn a living wage to cover necessary expenses, discretionary items and savings for the future.

Education

Staff receive education in health, human trafficking awareness, self defence, financial management, Khmer, English, and digital literacy. Staff also have access to two on-site libraries.

Healthcare

Team members have access to our on-site medical centre which offers healthcare, health education and an anonymous support hotline.

Career Growth

Some of our original team members now lead their departments. We're not about leading our team in Cambodia with a western lens. Local leadership is absolutely critical.

Team Consultation

Periodic team consultation to measure the impact of the model, and to identify key education, upskilling and health topics team members are interested in to inform future programs.

Freedom

Our ultimate goal is to see our team members become authors of their own futures: to send their children to school, to care for their family, to have a safe home, and even leave the Outland team to follow another dream if that's what they want to do. No matter their future, so long as they have the freedom to choose.

* <https://www.walkfree.org/reports/global-estimates-of-modern-slavery-2022/>

Your Social Impact

100%

of Outland Denim staff continued to have the opportunity to receive a living wage.

39%

of Outland Denim Cambodia staff received a promotion.

91%

of staff received a wage increase.

25%

of wage increases were based on exceptional performance.

237hrs

of education and training given to staff (4.6 hours/week).

80%

of staff reported growth in positive mental health.

74%

of staff reported growth in work ethic.

62%

of staff reported growth in sense of achievement.

40%

of staff reported growth in leadership skills.

89%

of staff report feeling safe at work. 7.2% were unsure.

98%

of staff know how to share a grievance or concern. 82% feel confident or very confident to speak up about a concern.

82%

of staff who have debt say that the debt has decreased in the past 12 months, and 85% are making regular repayments on their debt.

19%

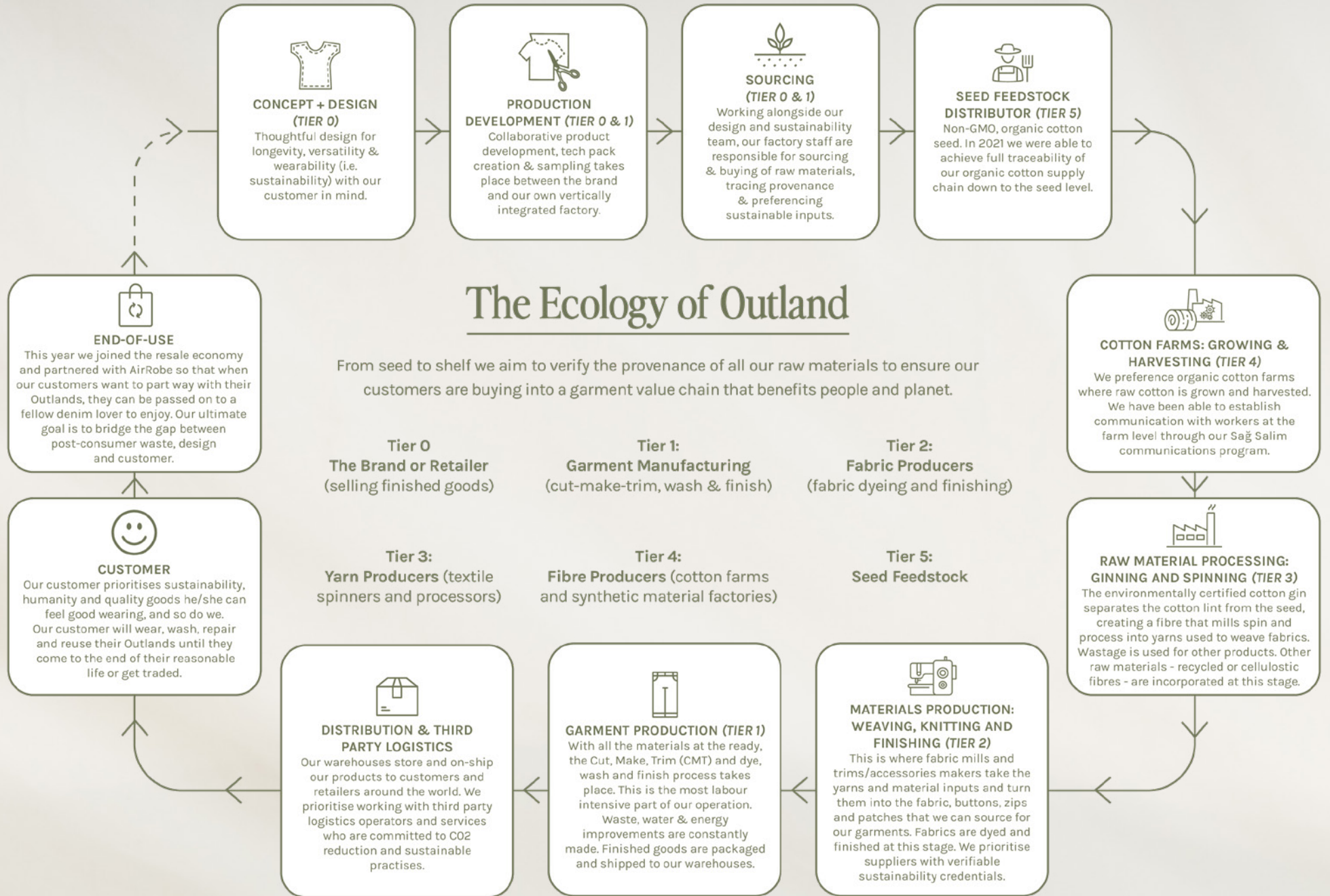
of staff have made a financial investment in the past 12 months.

77%

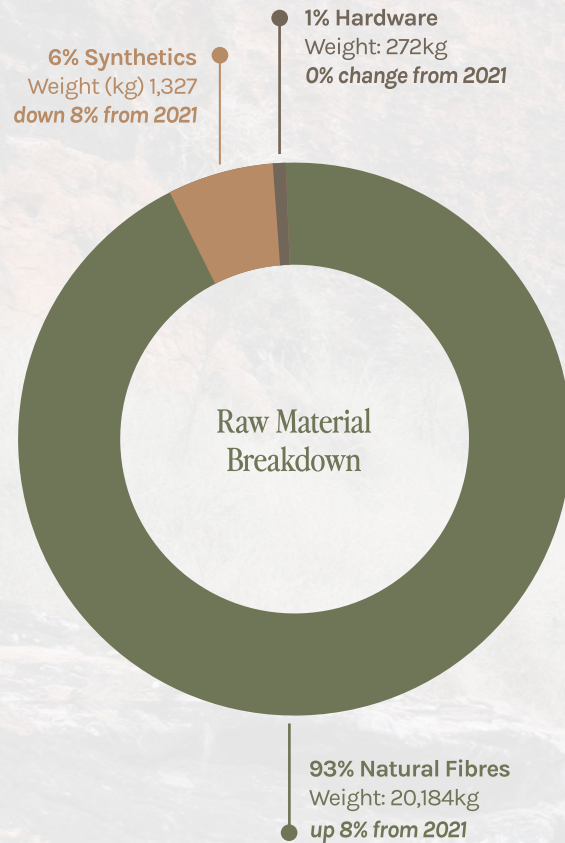
of staff report having adequate time with their family in an average week.

The Ecology of Outland

From seed to shelf we aim to verify the provenance of all our raw materials to ensure our customers are buying into a garment value chain that benefits people and planet.



Your Environmental Impact



At Outland Denim we take our environmental footprint very seriously. We invest heavily in ensuring our products are made with the highest quality and most sustainable raw materials available. But of course, no material is perfect, so we'll also explore the challenges with each in our Raw Material Breakdown in [our full impact report available online](#).



60% average water saving



GOTS Certified Organic Cotton
77% of our production volume



37% average energy saving



36% reduction in brand carbon emissions year-on-year

Emissions

36%

**Reduced brand emissions year-on-year.
Across areas that we have control over
(Scope 1 and 2) as well as those we
indirectly contribute to (Scope 3).**

60%

Reduced upstream freight based emissions.

29%

**Reduced emissions from purchased
goods & services.**

It's not lost on us as a brand that we are in a state of climate emergency. According to the targets set by the Paris Climate Agreement, there are only 27 years remaining to reach global net-zero emissions. Every year counts.

Calculating our annual carbon footprint, including direct and indirect emissions, has provided us with a better understanding of our environmental impact as a brand and how we are contributing to climate change.

As we work toward becoming an "Earth Positive" brand, depositing more goodness back into the Earth than we take, we are making a stop at Carbon Neutrality by offsetting those emissions that we can't reasonably reduce in our operations. Owing to financial constraints in FY22, we were unable to commit to offsetting for this year. However, we have committed to doing so for FY23.

Year-on-year, we're proud to have reduced brand emissions by 36% across areas that we have control over (Scope 1 and 2) as well as those we indirectly contribute to (Scope 3).

There are a few key areas of the business that are the greatest contributors to our emissions footprint. One of these, upstream freight, we have been able to reduce by 60% largely by prioritising sea over air freight.

The second of these key areas is purchased goods and services (i.e. goods procured through our supply chain and the products made and sold to Outland Denim by our Cambodian factories). This is the largest CO2 contributor to the business, accounting for between 50 and 60% of our overall emissions,

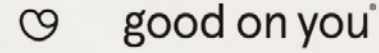
which means our purchasing practises really matter: we've reduced emissions in this area by 29%. However, full disclosure: this is largely attributable to a change in methodology adopted between our 2021 and 2022 Impact Reports.*

Our emissions from "Use of Product Sold" (how our customers wear, care and repair their Outland Denim products over their lifetime) has increased 13% year-on-year relative to the volume of product purchased (i.e. more product sold = more emissions unless significant emissions reduction practises are adopted by our B2B customers - i.e. stores - and direct customers of Outland Denim).

[Click here](#) for a deep dive into our emissions audit for 2022.

*We updated our methodology for FY22 to work out an average total emissions from the raw materials purchased by the Outland Denim Group as a whole (i.e. including raw materials purchased for our other brand manufacturing clients), divided by the units produced by the group, to provide a per unit CO2e. This was then multiplied by the total units Outland Denim (the brand) purchased.

Awards and Certifications





Good For Humanity.

OUTLAND DENIM