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AUTHENTIC BRANDS GROUP

2022-2023 ESG REPORT

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ABOUT THIS REPORT

At Authentic, we take a proactive approach to driving Environmental, Social and Governance activities across our network. Over the past year, we have made meaningful strides toward our ESG goals. We deployed a Materiality Assessment to help gauge the ESG topics that matter most to our stakeholders. We assembled a consortium of Authentic leadership and key partners, which became the foundation of our Sustainability Alliance. This led to the launch of our Sustainability Hub, a platform for shared tools and resources for our partners to drive sustainable brand innovation, scalable best practices, value creation and positive impact across our portfolio and industries.

Beyond these commitments, we have improved our diversity, equity and inclusion (DE&I) score through recruitment and retention; enhanced employee engagement by fostering the growth of employee resource groups; and promoted sustainability through corporate and brand partnerships. Supporting a wide range of causes that reflect the values of our global community, we teamed up with Global Citizen, a world-leading advocacy organization promoting social justice and equity, to amplify our ESG goals as well as galvanize consumers through product collaborations, donation round-up programs and consumer activism.

As the owner of a global portfolio comprising some of the most iconic names in fashion, lifestyle, entertainment and media, we recognize the important role we play in key industries and our potential to influence change. This sense of responsibility shapes our decision-making, business approach and companywide commitments.

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2022-2023 ESG GOALS

Authentic is committed to driving positive impact at scale through sustainable initiatives, DE&I programs and purpose-driven partnerships.

We have identified five goals, which serve as the guiding principles for our ESG strategy:

1

Establish and grow the Sustainability Alliance, a consortium of Authentic leadership and key partners who are driving sustainability goals for our largest brands

2

Create and enhance the Sustainability Hub, a platform for shared tools and resources for our partners to drive sustainable brand innovation, scalable best practices, value creation and positive impact across our portfolio and industries

3

Improve our DE&I score through employee or talent recruitment and retention

4

Drive employee engagement by fostering the growth of employee resource groups

5

Promote sustainability through corporate and brand partnerships

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PURPOSE-DRIVEN PARTNERSHIPS

Environmental and social initiatives are essential to our purpose and mission. Authentic supports a wide range of causes that reflect the values of our industries and global community. We have teamed up with Global Citizen, an advocacy organization promoting social justice and equity, to amplify its ESG goals and drive awareness and action around environmental and social issues that encourage people to TAKE ACTION. The long-term partnership galvanizes consumers through product collaborations, donation round-up programs and customer activism.

**GLOBAL
CITIZEN.**

**TAKE
ACTION**



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PURPOSE-DRIVEN PARTNERSHIPS

KEY PARTNERS



Delivering Good is a nonprofit organization that unites retailers, manufacturers, foundations and individuals to support and provide people impacted by poverty and tragedy with new merchandise, effectively distributed through a network of community partners.



THE SHAQUILLE O'NEAL FOUNDATION

The Shaquille O'Neal Foundation creates pathways for underserved youth to help them achieve their full potential, working to instill hope and bring about change in communities by collectively shaping a brighter future for our children.



Mount Sinai Hospital is an academic health science center affiliated with the University of Toronto, providing exceptional medical care to local and global communities. Authentic Founder, Chairman and CEO Jamie Salter currently serves as an active member of the Board of Directors.



UNICEF is responsible for providing humanitarian and developmental aid to children in more than 190 countries and territories worldwide, working to defend their rights and helping them reach their full potential, from early childhood through adolescence.



St. Jude Children's Research Hospital is a global leader in the research and treatment of pediatric cancer and other life-threatening diseases of childhood. It is the first and only National Cancer Institute-designated Comprehensive Cancer Center devoted solely to children.

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DE&I PROGRAMS

With an equity-based mindset, Authentic fosters an inclusive workplace and nurtures professional growth through HR initiatives, employee training and development programs, and corporate events designed to develop leaders, encourage teamwork and combat unconscious bias.



of our global workforce is made up of one or more diverse ethnic and/or racial backgrounds



of our global workforce is made up of women

EMPLOYEE RESOURCE GROUPS

Employees come together through ERGs to promote equity and inclusion, offer diverse perspectives and provide opportunities related to representation, ultimately strengthening Authentic's community.



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2022 MATERIALITY ASSESSMENT

EXECUTIVE SUMMARY

KEY TAKEAWAYS

Through a series of surveys, Authentic received **61 responses** from senior leadership with our core strategic operating partners, which includes SPARC Group and Liberated Brands. The brand volume related to the respondents and their brands equate to approximately **28%** of our company's global retail sales.

- Partners and licensees identified climate change and greenhouse gas emissions and human rights and forced labor as the most important sustainability factors in relation to their business with Authentic.
- Human health and safety and product traceability and supply chain ranked second for both partners and licensees, while chemicals and toxic substances ranked third.
- The top certifications, standards and organizations with which partners and licensees were aligned included the Responsible Down and Wool Standards (RDS and RWS), the United Nations Sustainable Development Goals (UN SDGs) and the Sustainability Accounting Standards Board (SASB) Standards.

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2022 MATERIALITY ASSESSMENT

METHOD OLOGY

METHODOLOGY

ESG topics are considered to be material to Authentic if they have a substantial likelihood of influencing the judgment and decisions of key stakeholder groups and significantly impacting overall business performance.

Authentic's first materiality assessment was specifically developed with three objectives in mind:

- Assess top sustainability issues identified by stakeholders
- Pinpoint areas where Authentic and its network have the ability to create impact or make change
- Provide the basis of corporate positioning around ESG

SAMPLE SIZE

Survey period: April 7, 2022 - April 30, 2022 (24 days)

INVITED

358

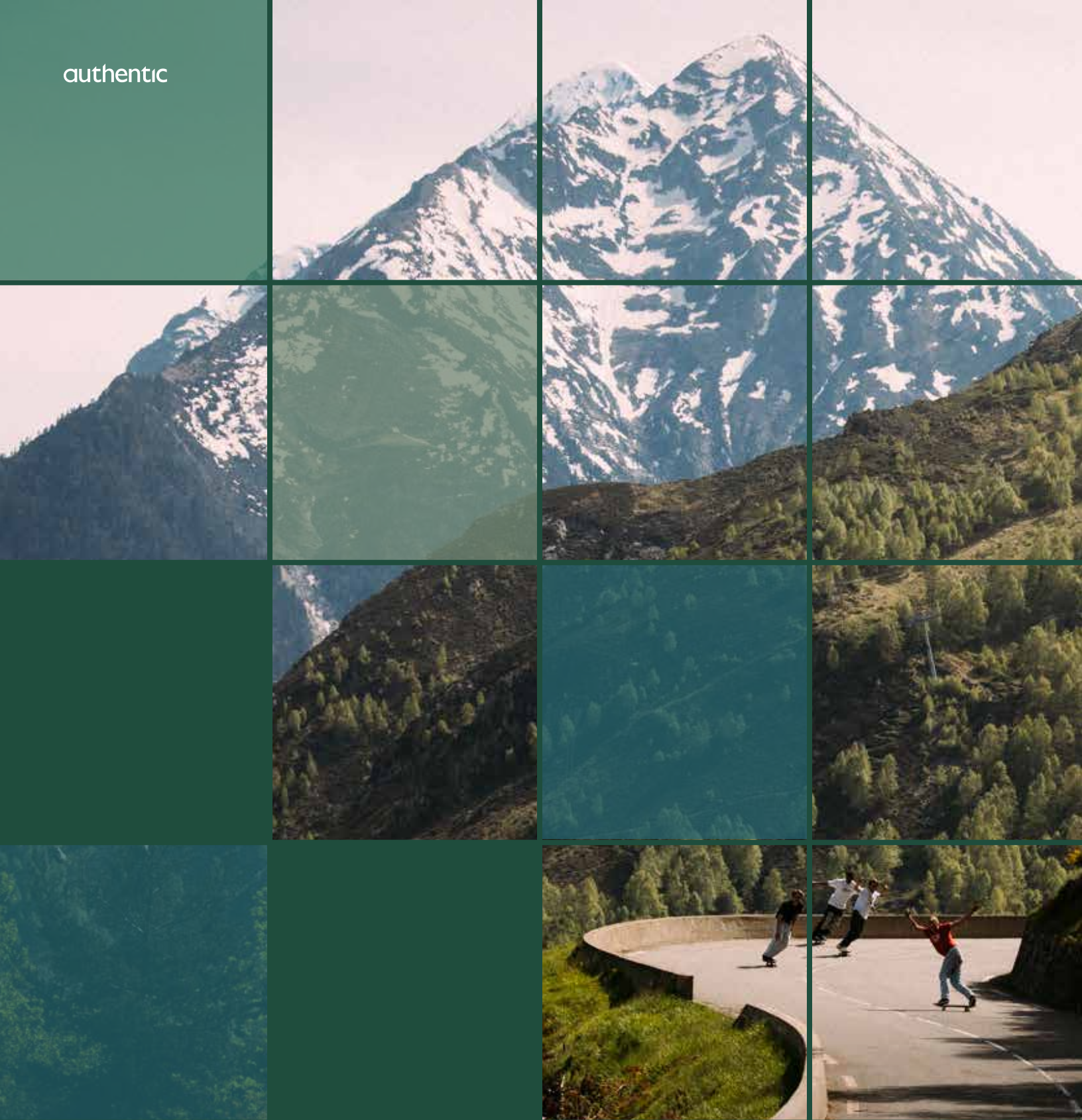
PARTICIPANTS

61

RESPONSE RATE

17%

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2022 MATERIALITY ASSESSMENT

RESULTS

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RESULTS

PARTICIPANTS

61 RESPONSES FROM 36 COMPANIES



INK CLOTHING LOGO FPO

MARCHON
a vsp vision company



onestepup

CAMUTO GROUP



AmeriCo. Group

ar holdings

VDG | DAYAN GROUP

ES.Originals inc.



JCPenney

NYC ALLIANCE



Revman International



SHINSEGAE

YM INC.
and affiliated companies

TRISTATE

UNITED LEGWEAR
& UNDERWEAR CO

VANDALE
TRISTATE

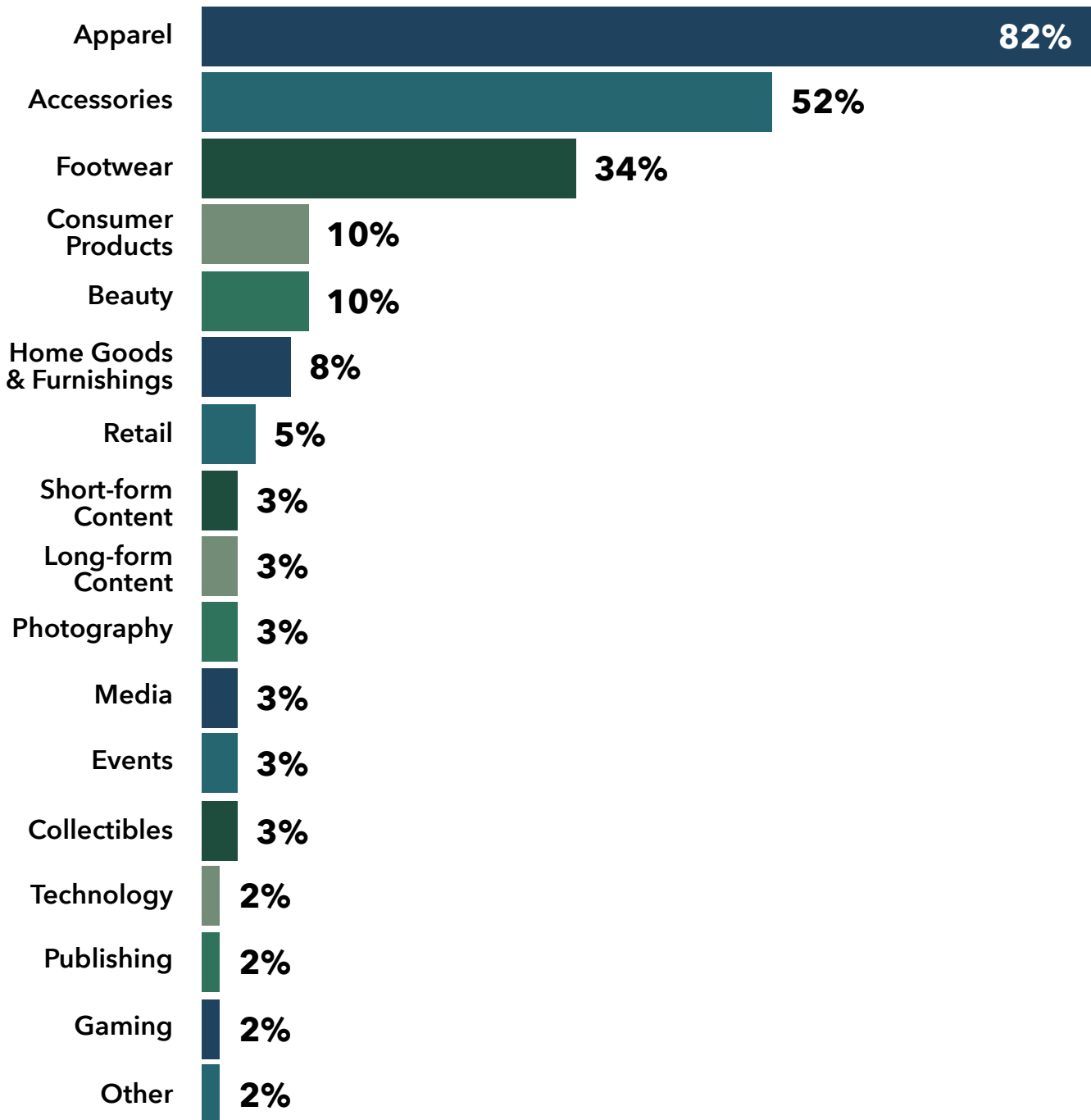
Diamond Group
Corporation

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RESULTS

QUESTION:

WHAT INDUSTRY OR SECTOR DOES YOUR COMPANY OPERATE IN?



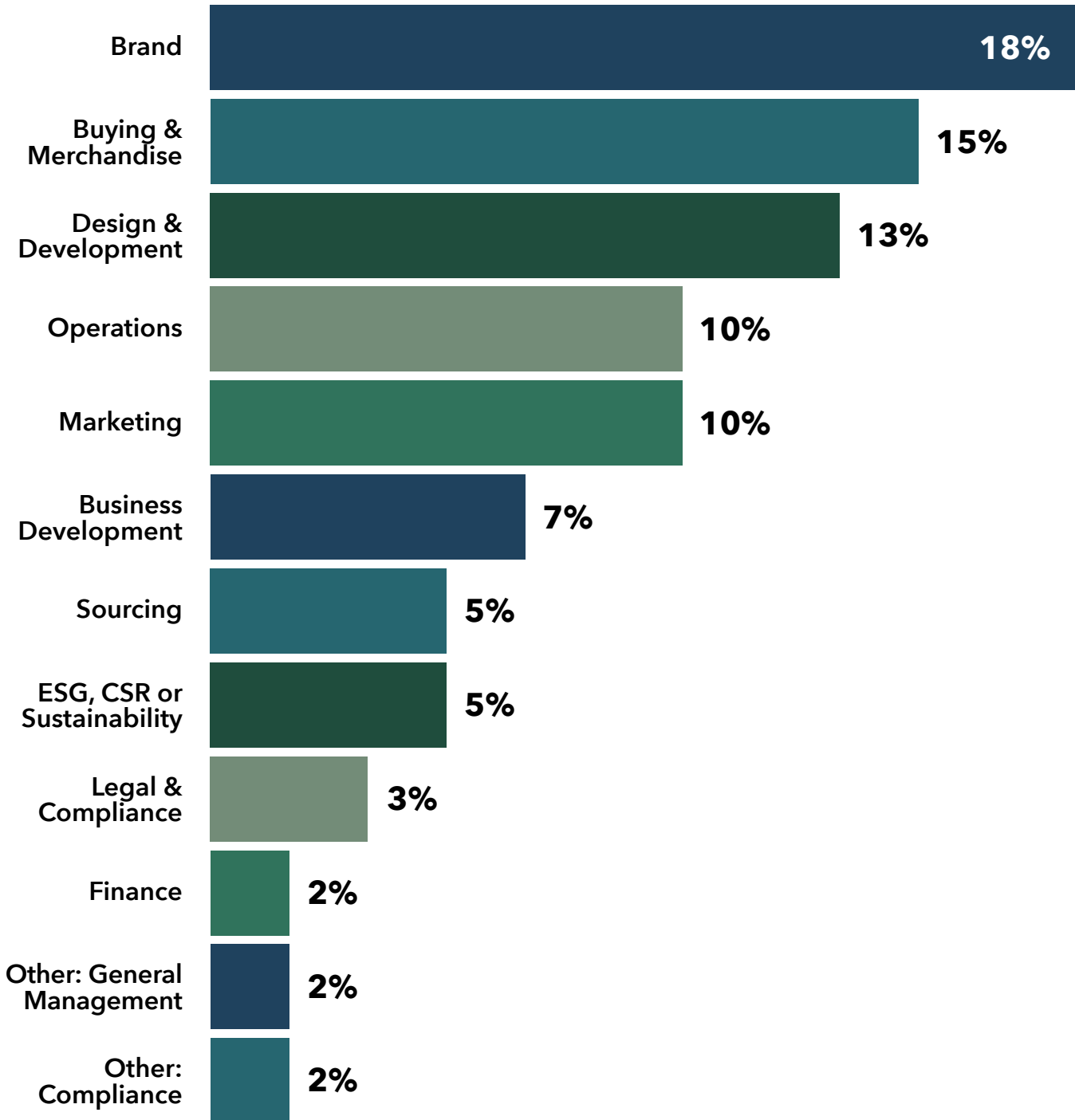
(Numbers have been approximated for representation.)

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RESULTS

QUESTION:

WHAT IS YOUR DEPARTMENT?



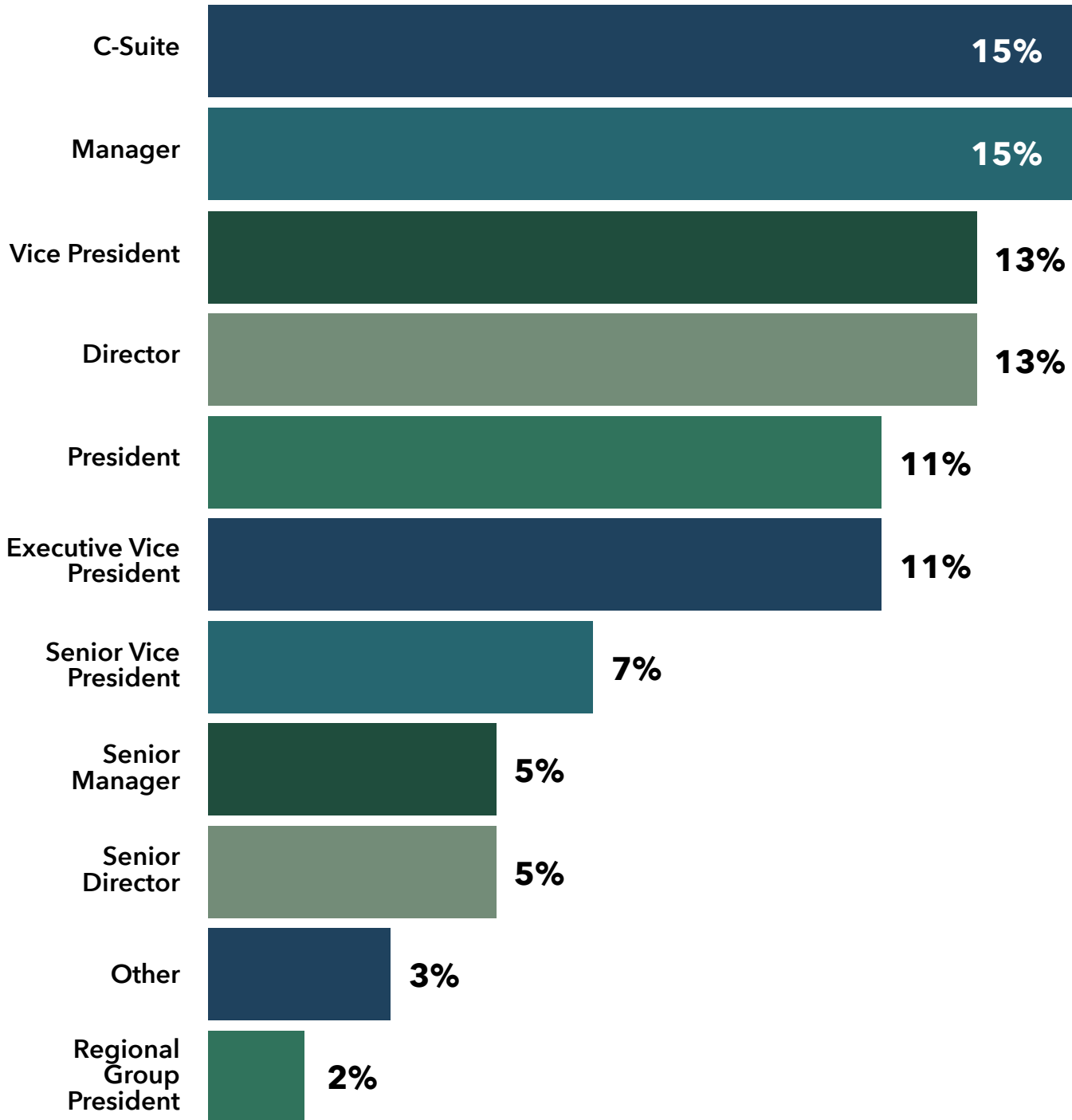
(Numbers have been approximated for representation.)

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RESULTS

QUESTION:

WHAT IS YOUR TITLE?

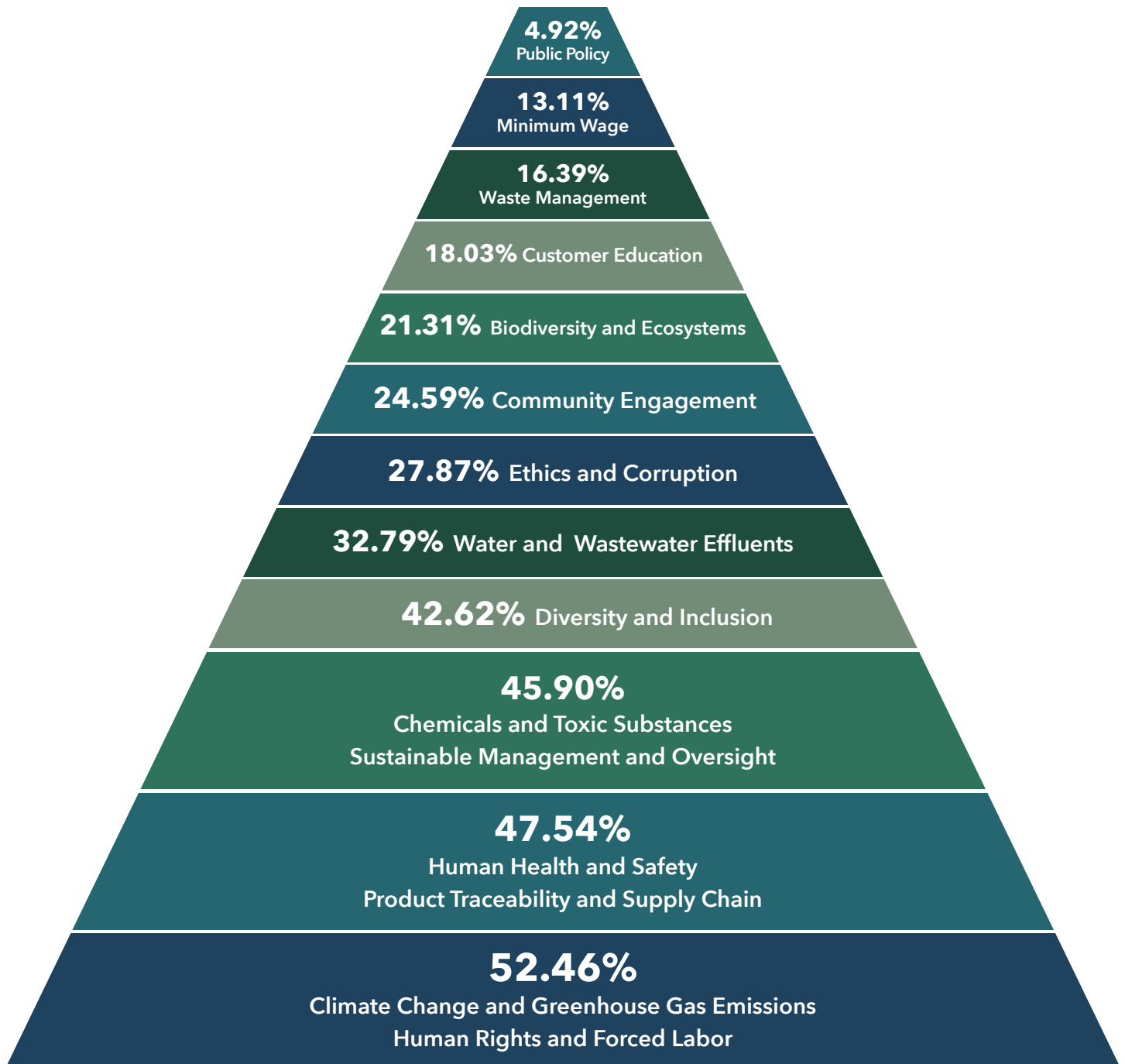


(Numbers have been approximated for representation.)

RESULTS

QUESTION:

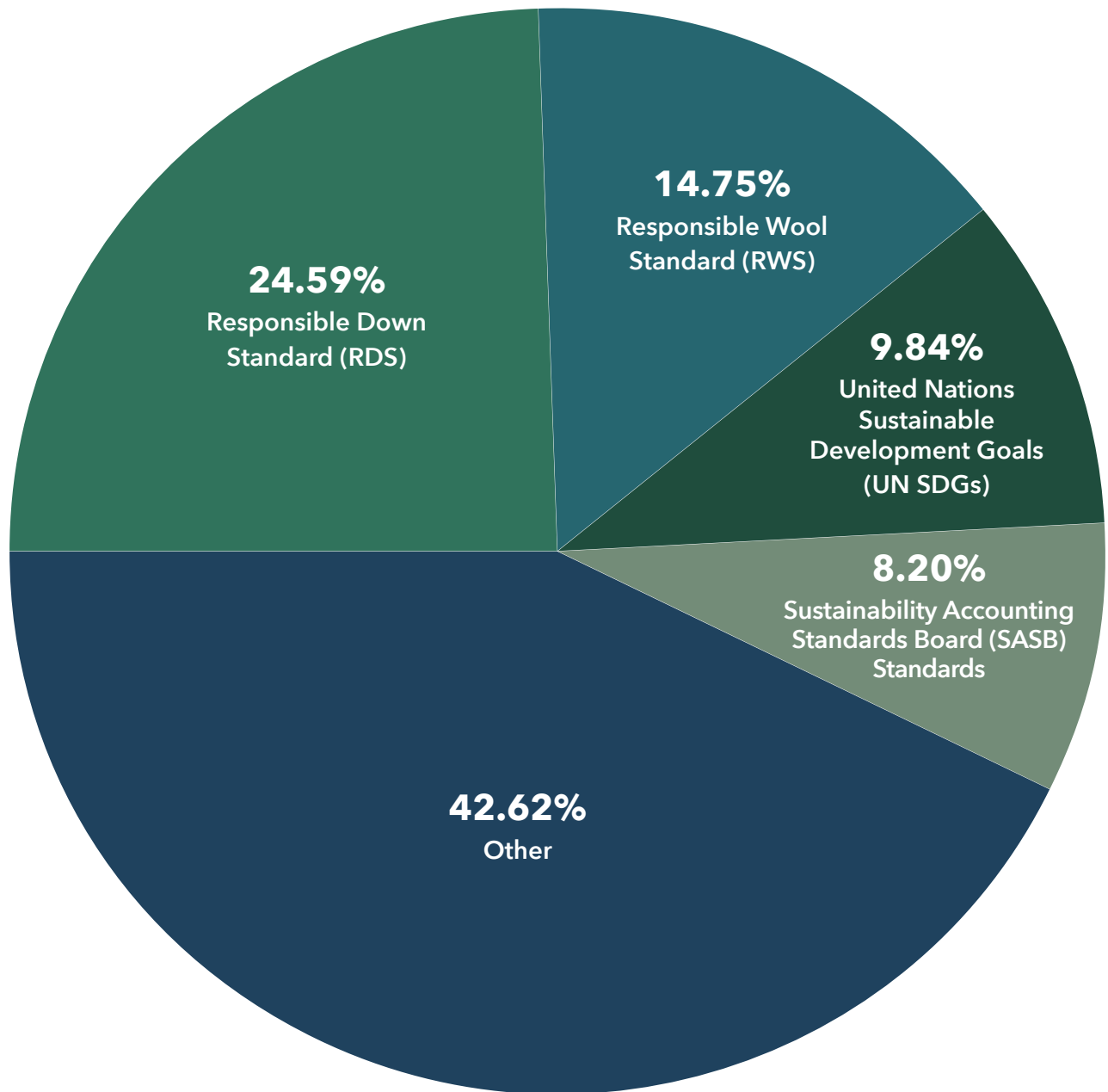
WHICH OF THE FOLLOWING SUSTAINABILITY TOPICS ARE IMPORTANT TO YOUR BUSINESS?



RESULTS

QUESTION:

TO WHICH CERTIFICATIONS, ORGANIZATIONS OR INITIATIVES HAS YOUR COMPANY ALIGNED ITS GOALS?





2023 INITIATIVES

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2023 MATERIALITY ASSESSMENT

Authentic has deployed its 2023 Materiality Assessment to help gauge the Environmental, Social and Governance (ESG) topics that matter most to our stakeholders. The data and insights gathered from this assessment will serve as a guide for Authentic's ESG framework as well as the ongoing development of our corporate social responsibility programs and implementation of best practices.

Increase participation to 30% by top-tier partners and senior leadership tied to brands that have the most impact

Grow response rate in key regions, including LATAM, EMEA and APAC

Deploy Spanish-language materiality assessment customized for LATAM partners

Integrate insights into the Authentic Sustainability Hub

SUSTAINABILITY ALLIANCE

The Sustainability Alliance is a consortium of Authentic leadership and key partners who are driving sustainability goals for our largest brands.

Through the alliance, Authentic seeks to engage, educate and equip our teams and global network of partners with the shared tools and resources to drive sustainable brand innovation, scalable best practices and positive impact across our portfolio.

GOALS

Grow membership of the Sustainability Alliance to include key partners

Gather and elevate shareable knowledge, resources and best practices

Establish sustainability criteria that measures ESG performance by brand and by partner

Expand our shared ESG tools and resources to help Authentic's global network drive positive impact

Publish and distribute key insights and reports to Authentic's global network on a regular basis

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SUSTAINABILITY HUB

Authentic's Sustainability Hub launched on authentic.com in the spring of 2023 with key resources identified through our work with the Sustainability Alliance.

The hub is a platform for shared tools and resources for our partners to drive sustainable brand innovation, scalable best practices, value creation and positive impact across our portfolio and industries. It houses our Materials & Fabrics and Certifications & Memberships guides as well as a survey for new partners and Terms & Conditions.

We will continue to expand our Sustainability Hub through regular ESG communication with our partner network. Visit the Sustainability Hub at corporate.authentic.com/esg-resource-hub



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