

city chic collective

ASX ANNOUNCEMENT

25 October 2023

FY23 Annual Report Imaging Correction

City Chic Collective Limited (ASX:CCX) advises that in the FY23 CCX Annual Report published on 18 October 2023 on the Market Announcements Platform imaging issues on the digital version resulted in some unreadable text from page 66 onwards. Shareholders are directed to the updated version of the FY23 Annual Report which corrects this imaging issue. CCX also notes the duplication of pages 57 and 58 on pages 59 and 60. To avoid confusion with page numbering in the printed and digital versions this error has not been corrected.

There are no changes to the content of the FY23 Annual Report published on 18 October 2023.

ENDS

The release of this announcement was authorised by the Company Secretary

About City Chic Collective

City Chic Collective is a global omni-channel retailer specialising in better dressing plus-size women's apparel, footwear and accessories. Its omni-channel model comprises a network of 86 stores across Australia and New Zealand (ANZ) and websites operating in ANZ, the USA, and third-party marketplace and wholesale partners in Australia, New Zealand, USA, Canada,.

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Our People

Our ‘Core Capabilities’ are at the foundation of our culture; they support our goal and purpose to “lead a world of curves.” Our Core Capabilities are the skills and behaviours we use as guiding principles to lead, grow and deliver exceptional experiences for her, our customer. The core capabilities are:

WE PUT HER FIRST

She is at the heart of every decision;

WE ARE PASSIONATE CONNECTORS

We love what we do, and we work as one team;

WE KNOW IT, OWN IT, DO IT

We are knowledgeable, we are accountable, and we are disciplined;

WE MOVE FAST, KEEP IT SIMPLE AND THINK BIG PICTURE

We act decisively, react quickly and are measured in our approach;

WE ARE FEARLESS AGILE THINKERS

We express ideas, take calculated risks, and embrace change.

Who we are and How we do things

Leading a world of curves means putting her first, and creating experiences that makes her feel courageous; feel proud to identify as female; feel empowered to embrace her individuality; and to respect and love the skin she is in.

She is our customer, she is a member of our team, and she is our leader. We listen to her.

We value the learnings we gain from her coming from different backgrounds, experiences, and perspectives. These learnings enable us to develop beautiful products and create exceptional customer and work experiences that understand, respect and meet the diverse needs, preferences and goals she has. We endeavour to make her feel good at every touchpoint and we are committed to continuing to deliver on this promise, at all levels of our business, as our global footprint expands.

Diversity and Inclusion

Our commitments also extend beyond her. We seek to be a boundaryless organisation that ensures all team members, regardless of gender identity or minority group membership, have equal opportunity to enter, learn and develop within our business.

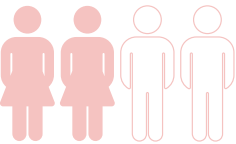
We know that true workplace diversity recognises and values the contribution of people from different backgrounds, experiences and perspectives. The CCX Diversity Policy is underpinned by a suite of policies and practices that provide the support and structure needed to facilitate these opportunities for each individual that enters our workforce. We support the well-being of our people through unlimited access to EAP which includes a suite of specialist helplines specifically tailored to the needs of minority groups. Our learning initiatives and social/culture calendar aim to increase awareness and empathy, and promote our people building genuine connections across all levels of the organisation.

GENDER DIVERSITY

The proportion of women employed at different levels across the company as at the end of the reporting period was as follows:

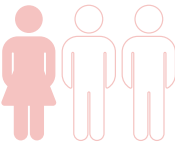
BOARD

2 of 4 non-executive directors on the Board are woman; 2 of 5 Board members (including non-executive and executive directors) are woman



C-SUITE

1 in 3 C-Suite leaders is a woman



LEADERSHIP TEAM



71%

MANAGERS



73%

WORKFORCE



96%

DIVERSITY OBJECTIVES

Objectives established for achieving diversity (including gender diversity) and progress towards achieving them during FY2023 are set out below:

FY23 DIVERSITY OBJECTIVES	ACHIEVEMENT
Seek to maintain gender diversity in the composition of the Board and the C-Suite Leadership Team of no less than 30% of each gender.	Achieved
Achieve a Sense of Belonging Score of 75% or above for all groups by FY23	Achieved
Introduce a Gender Affirmation Policy	Achieved
Undergo an end-to-end ‘Job Access’ assessment to ensure optimal access to employees with a disability or impairment	Commenced, ongoing in FY24

Our diversity strategy is supported by the following objectives established for FY2024:

FY24 DIVERSITY OBJECTIVES
Seek to maintain gender diversity in the composition of the Board and the C-Suite Leadership Team of no less than 30% of each gender.
Continue end-to-end ‘Job Access’ assessment for all areas of the HR life cycle to ensure optimal access to employees with a disability or impairment.
Commence corporate partnership with Dress for Success to provide fundraising support and clothing to women seeking independence through employment.

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Environmental, social and corporate governance

ESG across our supply chain

Seeking to create safe and respectful working environments for all workers in our supply chain has long been, and remains, an overarching priority and focus. Over the last few years with the acquisition of new brands and with the diversification of our sourcing regions, we sought to partner with, and on-board, select new factories and vendors into our supply chain and our ethical trade policies. This year we shifted our focus on consolidating our supply chain and embedding key policies. As we placed more emphasis on tracing high risk materials and regions, it led to streamlining our supply chain where possible.

Our goal remains to work together with all our global partners to have a more positive impact to people and planet.

People continue to be a focus for our organisation as we aim to improve the lives of workers in our supply chain.

We consider every worker in our supply chain an extension of our own business and we are working together with our factories to ensure safe and fair working conditions for all of their employees. Our Ethical Trade program, developed and refined by our long serving team committed to improving practices, outlines our expectations for ourselves and our partners in our supply chain and seeks to hold us to account when it comes to human rights impacts associated with producing our product.

Social Responsibility

Our FY2023 Highlights

- Continued to make progress against our Modern Slavery Act roadmap
- Strengthen our Forced Labour policy and tracing
- Completed our pilot DNA / fingerprint testing on cotton product
- Enhanced our chain of custody policy and process for all tiers of the product sourcing supply chain
- Achieved “NICE” Rating on the 2022 Oxfam ‘Naughty or Nice’ list, recognising our commitment to working towards paying a living wage
- Ranked in the top 40% of companies assessed in the ‘Behind the Barcode Report’ / Ethical Fashion Guide by Baptist World Aid
- Continued our engagement with key NGO’s

We commit to source product in a recognised, responsible, and transparent supply chain

It is important for us to continue to map all levels of our supply chain to understand all potential supply chain risks. As we continue to trace through these layers, we are committed to publishing our supplier list with regular updates.



61

Tier 1 Factories



3

Sourcing Regions



21,020

Workers in Tier 1



64%

Female Workers

MODERN SLAVERY UPDATE

As part of our modern slavery risk assessment, we identified that cotton production right back to farming was a high-risk issue that we need to better understand and address.

CCX is committed to taking steps to try and ensure our supply chain does not source directly or indirectly from known regions that openly engage in the use of forced labour, in line with our responsibilities under the UN Guiding Principles on Business and Human Rights. In addition to strengthening our ban on known regions that endorse the use of forced labour, we have implemented a more diligent tracing program and associated plan for remediation. We worked closely with key suppliers to educate them on key indicators and documentation required to comply with a robust chain of custody process. It is important for us to monitor and validate our processes to assess their effectiveness.

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We finalised and completed our pilot program in cotton DNA testing, to help validate the origins and audit products that are part of our supply chain. Testing across a randomly selected collection of products from the supply chain was conducted by accredited 3rd Parties and our team also worked closely on validating chain of custody documentation received from vendors as part of our due diligence.

Working together to empower workers and give them a voice in the supply chain

As part of our Worker Voice Program, we were excited to roll out our worker survey tool to more factories and new regions such as Bangladesh. The worker surveys are conducted alongside our factory social audits and are in addition to our worker hotline and grievance mechanisms, as another channel to talk to factory workers about key themes such as:

- Modern Day Slavery
- Labour Practices
- Health & Safety
- Worker Satisfaction

Enhancing our worker voice tools is a key initiative to help support us in gaining a more direct line to all workers. It gives us the ability to contact workers by sending them surveys, training materials, and information to empower workers to have a voice about their individual working conditions.

Working with factories to recognise that a minimum wage does not always equal a living wage

We commit to do our part in closing the gap between living wage and minimum wage. We recognise that multi stakeholder initiatives are the best way to drive change and we look to global benchmarking to help determine a basic living wage by region.

Through our audit process we train and then ask our factories to establish a living wage calculation. We believe this empowers all factory owners in understanding what a living wage is made up of and how their wages paid compare. It is important for us to monitor progress of all factories and as a result we have developed our living wage tracker by recording factories that are:

- Paying living wage
- On track to living wage = Paying above minimum wage
- Paying minimum wage (but does not equal living wage)

Through the course of the year, we have worked with our auditing partners to develop a road map to implement a deeper wage gap audit in key factories which we will commence in the coming year.

The right of every worker in our supply chain to enjoy safe and healthy working conditions in an environment where they are not exploited

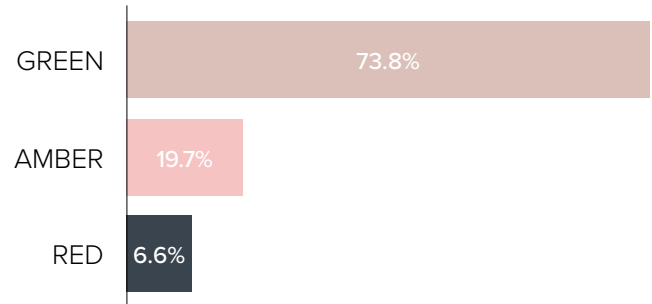
We seek to partner with the vendors in our supply chain to ensure working conditions are clean and safe and workers are not performing any unsafe work.

As we expand and further diversify our sourcing regions, and manage Covid-related risks and travel restrictions, we seek to check and monitor the working environment of workers in our supply chain through the use of our 3rd party auditors.

New suppliers are onboarded into our Ethical Trade Program and as we audit factories, we assign a risk rating to help prioritise corrective actions. Our audit program is one part of our vendor onboarding and it supports and sits alongside our other ethical trade initiatives.

We understand that not all factories will be at the same stage in their ethical trade journey, however, we seek to partner with factories who also are committed in coming on this journey with us. Our overall audit risk ratings and tracker have been updated to reflect our scorecard across our total group of factories and we are pleased to see our average audit score improve.

FY23 AUDIT RISK RATINGS



Environmental Sustainability

Our FY2023 Highlights

- Introduced a selection of preferred fibres into select range of product
- Continued to developed more sustainable packaging options
- Continued to build knowledge & capacity for future climate strategies
- Developed a risk assessment process on risks related to climate

We care for the environment and the management of waste in our supply chain

As part of our audit program, we seek to ensure that all textile processing and waste management is in line with the legislation of the manufacturing country. Our audits include environmental and waste management checks for

1. Legal Authorisations – such as the EIA
2. Solid & Hazardous wastes
3. Wastewater, Air Emissions and Noise
4. Energy & Water reductions

We request factories only use Oeko-tex 100 certified mills, which forms part of our Tier 2 onboarding.

Implementing Initiatives to help Manage & Reduce our Footprint

Our current focus is on those areas where we believe we can help create a more positive and immediate impact on our planet, while continuing to offer affordable product to our customers. These areas include assessing opportunities to utilise preferred materials across product and packaging.

Preferred Materials

FIBRES

The fibres and materials we choose to use in our supply chain contribute to our overall impact and footprint. We recognize that we need to work towards understanding where there is opportunity to use more sustainable fibres. As a first step, we have initially introduced into a small amount of our product ranges a selection of “better” choice fibres in which we have conducted diligent chain of custody processes to help certify that these fibres were sourced responsibly and were used in our product.

- Organic cotton
- Supima cotton
- FSC approved viscose
- FSC approved bamboo
- Recycled polyester

PACKAGING

We have been working with our distribution partners to develop satchels for eCommerce sales that have a high recycled plastics content. Our distribution centres (DC) in Australia and the UK continued to transition their satchels to a minimum of 65% made from recycled materials, and our DC in the USA have commenced the introduction of updated satchels towards the latter part of the year.

This initiative will help contribute to reducing our footprint and driving a more positive impact on our planet.

As part of our global supply chain distribution responsibilities, we continued to register under the relevant Extended Producer Responsibility schemes (EPR) in the UK, Germany and France. Extended Producer Responsibility (EPR) for packaging aims to reduce the environmental and economic burdens of plastic waste management for municipalities by extending producer responsibility to the end-of-life stage.

As part of this commitment, we have established a process to comply with EPR requirements across Europe and UK for packing and textiles wastes and recycling.

Annual Financial Report 2023

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Directors Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group', 'consolidated entity' or 'City Chic') consisting of City Chic Collective Limited (referred to hereafter as the 'Company', 'parent entity' or 'CCX') and the entities it controlled at the end of, or during, the 52-week period ended 2 July 2023 (2022: 53 week period ended 3 July 2022).

Directors

The following persons were directors of City Chic Collective Limited during the financial period and up to the date of this report (unless otherwise stated):

- Michael Kay
- Megan Quinn
- Phil Ryan
- Neil Thompson
- Natalie McLean

Other Key Management Personnel

Peter McClelland (Chief Financial Officer)

Company Secretary

- Marta Kielich (resigned 21 July 2023)
- Jacquie Shanahan (appointed 21 July 2023)
- Peter McClelland (additional Company Secretary appointed 21 July 2023)

Principal activities

City Chic Collective is a global omni-channel retailer specialising in plus-size women's apparel, footwear and accessories. It is a collective of customer-led brands including City Chic, Avenue, CCX, Hips & Curves and Fox & Royal. City Chic and CCX are better dressing for plus-sized women and its omni-channel model comprises of a network of 86 stores across Australia and New Zealand (ANZ) and websites operating in ANZ and the US. Avenue (US-based) targets a broad customer base across the conservative segment, with a long history and significant online customer following. Hips & Curves and Fox & Royal are online intimate brands.

The business made the strategic decision to exit the EMEA region and the Evans and Navabi brands during the period. The financial statements have reflected this decision, with the profit and loss presented for the continuing operations in ANZ and USA and EMEA presented as a discontinued operation, with the related assets as held for sale on 2 July 2023. The Evans business and EMEA inventory has been sold to a third party subsequent to year-end via an asset sale and purchase agreement.

