



SUSTAINABILITY

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“Creating a fairer and more sustainable world is a challenge. But if there's one thing Dr. Martens is good at, it's being brave and standing up for what we believe in. We want to leave things better than we found them. That's why I'm excited to share our first Sustainability report; I hope you find it informative.”

- Kenny Wilson, CEO





Sustainability continued

OUR APPROACH

At Dr. Martens, we have made timeless, durable products for over six decades. During this time, we have stood by our belief in doing what is right for people and the planet. At the beginning of 2019, we started work on our strategy to design, produce, sell and treat people more responsibly, and do more for our communities. As we continue on our sustainability journey, our focus remains on further anticipating our impacts and acting to mitigate them, endeavouring to leave things better than we found them.

We take our responsibility very seriously, and this year have undertaken a materiality analysis with an independent third party to review and understand our priorities when addressing environmental and social impacts, risks and opportunities. These findings refined our priority areas and determined where we should focus to make the biggest difference. For each of these priority areas we developed an ambitious target. We are now developing the detailed roadmaps, metrics and KPIs that will enable us to achieve these targets.

Rapid action is needed to respond to the climate crisis. That's why one of the targets we set this year is to be net zero by 2030. When determining our approach to carbon and the climate, we considered a number of frameworks including the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). We will report against the TCFD framework in our FY22 Annual Report.



The UN Sustainable Development Goals (SDGs) set out 17 global goals. We support the aim of all of the SDGs, and have identified eleven goals where we can have the biggest impact, based on our business activities, such as Climate Action.

See our sustainability strategy on pages 48 and 49

Sustainability is a core factor in decision making throughout Dr. Martens, and its importance is also acknowledged by our external stakeholders - from our consumers to our investors. Accelerating our sustainability journey is therefore an integral part of our DOCS strategy.

See our DOCS strategy on pages 30 and 31

We hope you enjoy reading our first Sustainability report and seeing the strides we have made on our journey, as well as our ambitions for the future.

“As we continue on our sustainability journey, our focus remains on further anticipating our impacts and acting to mitigate them, endeavouring to leave things better than we found them.”





SUSTAINABILITY HIGHLIGHTS FROM FY21

ENVIRONMENT

Developed and committed to our sustainability targets, including net zero by 2030



INCLUSIVITY

Created a dedicated department for diversity, equity and inclusion to accelerate our DE&I agenda



PRODUCT SUSTAINABILITY

Sourced more than 98% of leather from Leather Working Group medal rated tanneries

Started incorporating 50% post-consumer recycled plastic in our Airwair heel loops



COMMUNITY

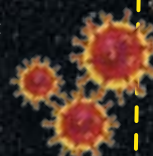
Supported causes identified by our employees around the world with Company donations and employee fundraising



LIVELIHOODS FIRST

Continued to be a responsible partner: we didn't cancel any orders with our Tier 1 suppliers despite the pandemic

Paid all our employees in full through the pandemic and made no redundancies relating to Covid-19



MANUFACTURING PROCESS

Achieved ISO 14001 certification in our Made in England factory



Undertook a gap and materiality analysis to comprehensively understand our most significant impacts and priority action areas

Launched the Dr. Martens Foundation



More than 90% of our Tier 1 finished product suppliers were independently audited physically and all surpassed our required CSR audit criteria



Sustainability continued

MAPPING WHAT MATTERS MOST

In 2020 we worked with an external consultant to identify the environmental and social issues that are most significant for Dr. Martens. The purpose of this analysis was to ascertain the priority areas based on the environmental and social impacts of our business, so we can focus on the issues where we can make the biggest difference as a company. The analysis also assisted us in developing a meaningful framework for future reporting.

The assessment included a detailed review of industry best practices, peer benchmarking and long-term trend analysis. Internal (employees and management) and external stakeholders were also engaged through a series of interviews and surveys to determine the materiality of key risks and opportunities to Dr. Martens. External stakeholders included industry associations like the British Retail Consortium (BRC) and Footwear Distributors & Retailers of America (FDRA); customers; key Tier 1 and 2 suppliers; and non-profit organisations such as Business for Social Responsibility (BSR) and Fashion Revolution.

The findings were reviewed by the Sustainability Steering Committee, chaired by the CEO, and used to understand the gaps in our current performance against the priority areas. This work formed the basis for the development of our long-term sustainability commitments, and it enables us to focus our resources and efforts in the areas where we can make the most impact.

“The purpose of this analysis was to ascertain the priority areas based on the environmental and social impacts of our business, so we can focus on the issues where we can make the biggest difference as a company. From this, we have identified twelve priority areas.”



Our priority areas

The materiality analysis helped us determine twelve priority areas. Eight of these were identified as the most material to us:

- Environmental impacts from supply chain manufacturing processes
- Modern slavery, human rights and labour rights in the supply chain
- Chemicals management and product compliance
- Innovation in design and sustainable materials
- Responsible treatment of suppliers
- Waste management
- Circular economy (resource efficiency, durability, repair, end of life)
- Land, biodiversity and ecosystems impacts of raw material production

We have also identified four additional areas to prioritise as they are particularly important to our brand:

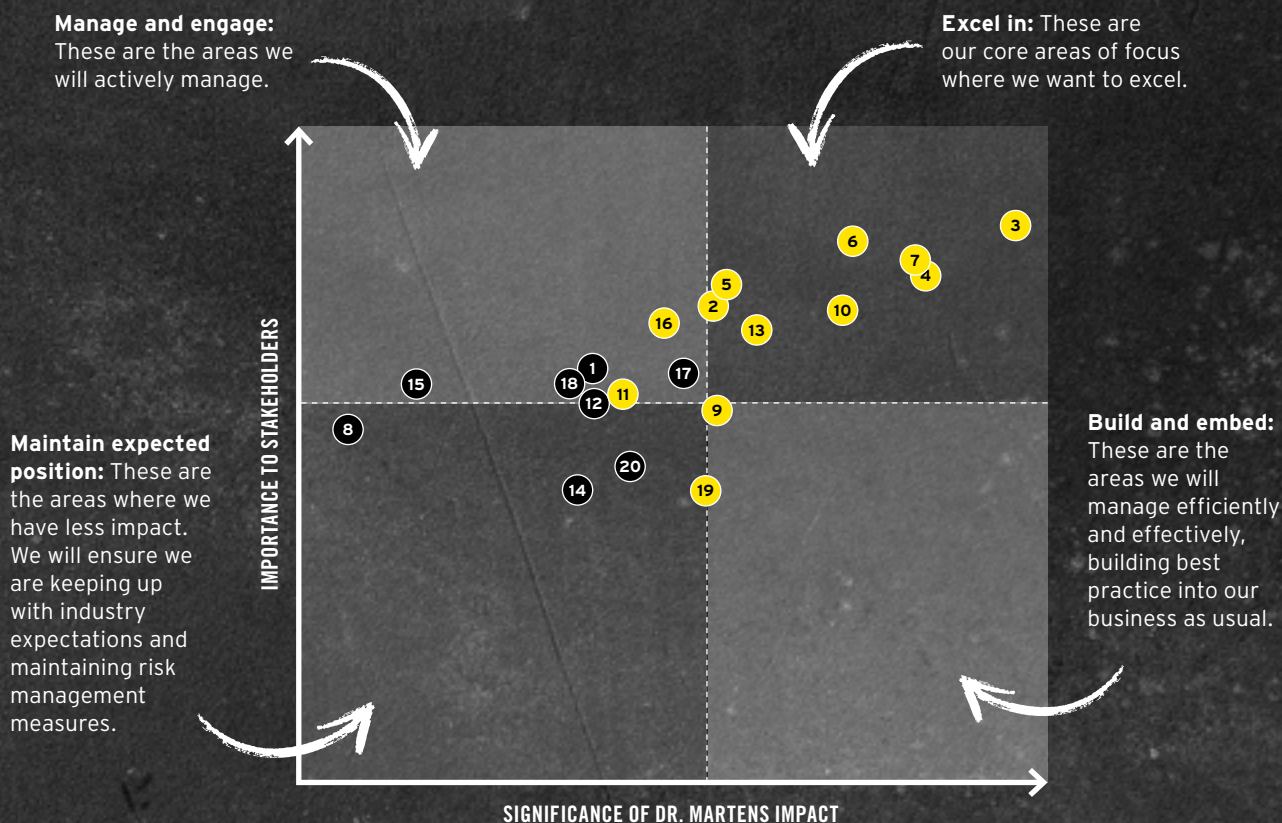
- Energy and climate
- Packaging materials and design
- Volunteering, charitable support and local communities
- Diversity, equity and inclusion

Our sustainability commitments have been developed to ensure we have a clear, ambitious target for each of these priority areas.

See our high-level commitments on pages 46 and 47



Materiality analysis summary



Our impact areas fall into four categories, with our priority areas identified in yellow:

Product and supply chain

Environmental and social impact throughout the supply chain and the impact of products

- ① Animal welfare
- ② Land, biodiversity and ecosystems impacts of raw material production
- ③ Environmental impacts from supply chain manufacturing processes
- ④ Modern slavery, human rights and labour rights in the supply chain
- ⑤ Circular economy (resource efficiency, durability, repair, end of life)
- ⑥ Innovation in design and sustainable materials
- ⑦ Chemicals management and product compliance (product safety)
- ⑧ Local procurement
- ⑨ Packaging materials and design
- ⑩ Responsible treatment of suppliers, especially in relation to Covid-19 disruption

Environmental sustainability

Environmental impacts of direct operations, including logistics, owned factories and stores

- ⑪ Energy and climate (net zero and climate risk)
- ⑫ Air and water management and impacts
- ⑬ Waste management (reduction and recycling)
- ⑭ Store concept: resource efficiency and sustainable materials

People and employment

Impacts related to our employees

- ⑮ Job creation, human capital and employee development
- ⑯ Diversity, equity and inclusion
- ⑰ Pay, employee wellbeing and benefits
- ⑱ Occupational health and safety

Community engagement

Impacts from direct operations and supply chain partners on local communities

- ⑲ Volunteering, charitable support and local communities
- ⑳ Economic and social development in supply chain communities

Whilst we have identified twelve priority areas, we are ensuring that we are keeping up with industry expectations for the remaining eight areas, through active management.



OUR HIGH LEVEL COMMITMENTS: LEAVING THINGS BETTER THAN WE FOUND THEM

As we continue our journey, we are committed to standing by our belief in doing what is right for people and the planet – in leaving things better than we found them. Over the past year we have developed ambitious sustainability commitments that give a clear direction for what we need to achieve. Over the coming year, we will build detailed sustainability roadmaps, metrics and KPIs to achieve these targets.

We are also working on a set of DE&I targets, as well as an overarching community target.



MINIMISE WASTE AND ENSURE ZERO WASTE GOES TO LANDFILL ACROSS THE VALUE CHAIN*.

* OUR OPERATIONS, TIER 1 AND KEY TIER 2 SUPPLIERS.

100% OF PACKAGING WILL BE MADE FROM RECYCLED OR OTHER SUSTAINABLY SOURCED MATERIAL.



* FROM OUR PRODUCTS

2028

2030



POSITIVELY CONTRIBUTE TO THE NATURAL ENVIRONMENTS WE OPERATE IN, BY SOURCING 100% OF THE NATURAL MATERIALS WE USE IN OUR PRODUCTS FROM REGENERATIVE AGRICULTURE.



100% OF PRODUCTS SOLD HAVE SUSTAINABLE END-OF-LIFE OPTION.



ALL FOOTWEAR MADE FROM SUSTAINABLE MATERIALS.

2040



OUR SUSTAINABILITY STRATEGY

On the previous page, we introduced you to our future aspirations. We are on a journey to reach these ambitious goals, and accelerating this throughout the business is an integral part of our DOCS strategy. Whilst we develop our plans, we continue with our current sustainability strategy which spans five pillars: design responsibly, produce responsibly, sell responsibly, treat people responsibly, and do more for our communities.

In the coming pages we will share more about each of these pillars.

Dr. Martens has been a proud signatory of the British Retail Consortium's initiative, *Better Retail, Better World*, since 2018. To tackle the biggest issues, industry collaboration is key. *Better Retail, Better World* is bringing the retail industry together to meet some of the biggest global challenges of the coming decades as highlighted by the United Nations, including climate change, modern slavery and decent work, sustainable economic growth, inequalities and responsible consumption and production. The UN Sustainable Development Goals (SDGs) are at the heart of the initiative and provide a framework for clear and transparent goals for brands to work towards. Our sustainability targets and our reporting are aligned with a number of the SDGs, as illustrated. These are our priority SDGs, where we have the greatest opportunity to contribute and to build upon the work we have been doing for several years.

1

DESIGN RESPONSIBLY

REUSE PRODUCT WASTE

- Explore opportunities to reuse our product waste in the design and development of new materials

SUSTAINABILITY BY DESIGN

- Adopt mindset of sustainability by design from product inception

DURABILITY

- Support our consumers to prolong life of their Docs

SDGs



Read more on pages 50 and 51

2

PRODUCE RESPONSIBLY

SUSTAINABLE MATERIALS

- Increase use of sustainable materials in our products

WASTE REDUCTION

- Tackle waste in our supply chain starting from biggest impact areas:
 - Reduce leather and packaging waste
 - Send zero waste to landfill

TRACEABLE LEATHER

- Our leather will be 100% traceable

MIE CENTRE OF EXCELLENCE

- Our UK factory will be a centre of excellence for environmental management

SDGs



Read more on pages 52 to 61

3

SELL RESPONSIBLY

STORE DESIGN AND PROCUREMENT

- Incorporate sustainable materials and practices into our retail design and marketing processes

CONSUMER-FACING RETAIL

- Review and refine VM and POS guidelines to incorporate sustainable materials and practices

NON-CONSUMER-FACING RETAIL

- Embed sustainability into the operation and supply chain of our retail stores

IN-STORE EMPLOYEE EDUCATION

- Deliver sustainability learning and development programmes to our in-store employees

SDGs



Read more on pages 62 and 63

4

TREAT PEOPLE RESPONSIBLY

IMPROVE LIVELIHOODS

- Improve the livelihoods of communities in our manufacturing countries

HUMAN RIGHTS

- Embed policies and practices to safeguard human rights across our operations

SDGs



Read more on pages 64 to 67

5

DO MORE FOR OUR COMMUNITIES

MEANINGFUL IMPACT

- Increase our volunteering activities

CHARITABLE PARTNERSHIPS

- Donate more to our charity partners

SDGs



Read more on pages 68 and 69



Sustainability continued

DESIGN RESPONSIBLY

Product creation starts with design. It is our first opportunity to make sure we are considering sustainability.

Our design responsibly strategic pillar focuses on making incremental meaningful change across the whole Dr. Martens line by understanding the role of good design in product sustainability. Alongside improvements to our main range, we are using seasonal launches to experiment with introducing emerging sustainable practices, technologies and materials.

Timeless design and product creation

Timeless products continue to be worn even as seasonal trends change. They don't go out of fashion, become obsolete or get disposed of prematurely. They stay in use, which is a key part of sustainable design.

The unique aesthetic form of the 1460 was developed through its functional components and product build for industrial manufacture. Dr. Martens gave its utilitarian parts a specific creative twist, like the yellow welt stitch, grooved sole edge and Airwair logo heel loop. These famous features form the Dr. Martens design DNA.

All new product designs are evolutions of the time-tested icons. Through the lens of our design DNA elements, we can create new, yet timeless, seasonal freshness.

Sustainability needs to be considered at the very start of product development. Decisions at this stage make an impact on how sustainable the end product becomes. That is why we are adopting a mindset of sustainability by design, right from product inception. One of the ways we have started to do this is through increasing the use of 3D modelling and 3D printing. These technologies have been implemented in the design and development process to allow more design and construction exploration before samples are produced by suppliers, reducing the number of footwear samples required. We are continually improving our product creation practices to make our process and end product more sustainable.

We are developing a "Design Handbook" to ensure our unique sustainability attributes, such as our durability and timeless design, are understood and applied by all generations of the product creation team. Going forward, we are committed to ensuring all relevant teams have annual training on sustainable design thinking and principles by 2022, and by 2028 all products will align to our defined sustainable design criteria.



3D modelling

Designing responsibly focuses on four key areas:

1.

Timeless design and product creation

2.

Durability and wearability

3.

Material selection

4.

Circularity



Research by WRAP (Waste & Resources Action Programme) has shown that increasing the lifespan of clothing by only nine months could reduce its annual carbon, water and waste footprint by 20-30%.

Durability and wearability

Timeless design is nothing without durability. One of the most effective ways to reduce the environmental footprint of a product is to prolong its life. Durable boots and shoes last longer and need replacing less often. For us this means producing footwear that is comfortable, protective and able to fit a range of different foot shapes, and lasts a long time.

Dr. Martens boots are known for their durability and we continue to strive to build this into our products through intelligent design and high quality component specification, backed up with rigorous standards and testing. The Goodyear welted construction with unique heat sealed sole exemplifies durability. We will continue to innovate and evolve our constructions and componentry in new and existing products whilst ensuring durability is never compromised. For example, we wanted our laces to incorporate recycled content so we undertook testing to understand what level of recycled content we could incorporate before this began to impact on their durability.

Our footwear is also incredibly versatile. Being worn more frequently rather than languishing in a cupboard is a great sustainability attribute. One pair of boots can look and feel great in the office, in the workshop, in the pub or at a festival.

Foot conformity, cushioning and fit are a focus for our continual design improvements. We will continue to strike the balance between "breaking in" durable long-lasting leathers and achieving "straight out of the box" comfort.

Testing

To ensure our footwear is durable we test new materials and components, as well as assembled footwear, against a set of performance standards. Testing is carried out by internationally accredited certified laboratories around the world.

The current system is no longer working for businesses, people or the environment... A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.

Ellen MacArthur Foundation

50% post-consumer recycled polyester uppers



Material selection

We are introducing more sustainable materials that remain durable and maintain our classic aesthetic whilst reducing the overall environmental impact.

For example, our 50/50 Recycled Poly Tract collection includes 50% post-consumer recycled polyester in the uppers, an alternative to standard virgin polyester. Post-consumer recycled polyester is also being introduced across the line in our Airwair heel loops, laces and upper fabrics.

As part of our focus on research and development for materials with lower environmental impact, we are trying and testing different materials for our components. For example we are currently testing cushioning components made from sugarcane bio-plastic and a vegan-friendly alternative upper material made from mushrooms. We are also reviewing emerging bio-based and recycled materials as they become available. This work will enable us to achieve our targets to develop a sustainable vegan upper material by 2028, and ensure all our footwear is made from sustainable materials by 2040 without compromising quality.

This year we decided to eliminate single-use plastic lace bags, saving over 500kg of plastic.

Circularity

We are at the beginning of our circularity journey; however, some of our unique attributes have positive sustainability qualities, like our durability and timeless design. While we continue to research and build a credible end-of-life strategy to ensure all our products have a sustainable end-of-life option by 2040, we are exploring opportunities to promote ways to maximise the useable life of our footwear through care, customisation, repair and resale.

Love them for longer

With a little bit of care, they'll last even longer. Last year we shared lessons from the Dr. Martens Boot Doctor, helping our consumers get as much life out of their shoes as they can. It's not only great for our consumers, but great for our planet too. Learn how to maximise the life of, and care for, your Docs:

www.drmartens.com/uk/en_gb/guides/how-to-care

Repair

We supply our soles to cobblers in the UK so our boots can be repaired with the authentic Dr. Martens air-cushioned sole. We are also looking at potential partnerships across the world that will extend the life of our products.



SOCIAL AND ENVIRONMENTAL MANAGEMENT WITHIN THE SUPPLY CHAIN

Global supply chain

Dr. Martens' culture is rooted in doing the right thing which goes back to the origins of the brand as a family business and continues to guide our approach to decision making. Our management and employees are custodians of the Dr. Martens brand. We want to take care of, protect and improve it for the next generation. As such, we are committed to upholding fair working conditions and increasing the scope of our CSR programme throughout our supply chain.

Tier 1 suppliers produce our assembled footwear.
Tier 2 suppliers provide components, such as laces, to these Tier 1 suppliers.

Our global supply chain consists of material suppliers, supplier factories and distribution centres. We operate two distribution centres in the UK and US, and work with third party logistics warehouses in other key markets. As well as manufacturing our Made in England (MIE) range of products in the UK, we source most of our footwear and accessories from supplier factories that are not owned by us. We source from trusted partners in nine countries across Europe, Asia and the USA, which we call Tier 1 suppliers. For transparency, these are published on our website. Tier 1 suppliers are contractually required to declare all the sites where our products and components will be manufactured to reduce the likelihood of homeworking or subcontracting, or make it more visible. Visibility and traceability of our supply chain is important to us, which is why we nominate our key Tier 2 material and component suppliers, such as leather, granulates, outsoles, laces and heel loops.



Our suppliers

Our footwear is mainly manufactured at 13 supplier factories in Asia, with 43% manufactured in Vietnam, 25% in China, 15% in Laos, 10% in Thailand and 6% in Bangladesh, while the remaining 1% is produced at a Dr. Martens operated manufacturing site in the UK producing our Made in England products. Our Tier 1 footwear factory list is shared on our corporate website. Our accessories, which account for 3% of revenue, are manufactured at 13 sites in seven countries, including the UK (43%), China, Portugal, Taiwan, Vietnam, Thailand and the USA.

We believe it is important to develop long-term partnerships with our suppliers and have worked with many of them for more than a decade. Our regular (at least biannual) supplier conferences promote an environment of trust and transparency, whilst building a deeper understanding of the issues faced by our suppliers. This trust is a two-way partnership, and as a result of our partnership principles we have not cancelled any orders with our Tier 1 suppliers (either in full or in part) during the Covid-19 crisis. Even at a point when we were unsure of demand for our products due to Covid-19, we continued to pay our supplier factories in full, which reflects our belief in the importance of our supplier relationships and working together through challenging times.

Our suppliers must adhere to our CSR policies and procedures. These policies set out our standards for the fair treatment of workers and conditions that suppliers need to provide to workers making our products. These policies are embedded in our Master Supplier Agreements which are signed by our key suppliers and third party distribution centres and include:

- Supplier Code of Conduct;
- Migrant Worker Policy;
- Environmental Standards; and
- Animal Derived Materials Policy.

Our Supplier Code of Conduct sets out our expectations for the suppliers we work with across a number of principles. It is based on the Ethical Trade Initiative Base Code and conventions of the International Labour Organization (ILO), such as no child labour or forced labour.

An established supplier CSR monitoring programme is in place to monitor our suppliers' compliance with labour and environmental laws, regulations, industry standards and our Supplier Code of Conduct. The programme has been operating for many years and has been regularly refined and improved. It is run by our global supply chain compliance team comprised of experienced CSR professionals based in our Hong Kong, China and UK offices, and audits are undertaken by an independent third party. This programme is the foundation of our relationship with our suppliers, in order to maintain fair and safe working conditions.

CSR monitoring programme

We have a robust factory approval and ongoing monitoring process. It includes independent third party CSR audits, which must be completed before we engage with new Tier 1 suppliers. Through an ongoing monitoring programme we frequently (at least once a year) monitor active Tier 1 suppliers in our supply chain to ensure their workers are treated fairly and their safety is protected. We partner with an independent third party company, Intertek, to deliver our social compliance monitoring programme. The Workplace Conditions Assessment (WCA) is an on-site verification programme intended as an overall risk assessment for social compliance issues across a range of topics including modern slavery, child labour, wages and hours, health and safety, environment, and management systems. Questions in each category are assigned a rating of minor, moderate, major or zero tolerance (ZT) depending on the severity. These standardised severity ratings support the recommended corrective action timeframes and help to improve scoring on the performance index as ZT and major ratings have the most impact on the score. Severity ratings are reviewed regularly, to encourage continuous improvement, and as important issues evolve in the industry. The WCA ratings are assigned by Intertek based on its vast experience in social compliance auditing, as well as through comparison across other social compliance industry programmes.

Case study: working with suppliers to improve

During an audit, the third party auditor identified that the overtime wage had been miscalculated for 44 workers (out of 3,450 workers) in one of our supplier factories in Vietnam.

Within two months, through continuous communication with the factory by our CSR manager in the region, the factory corrected this finding by paying the adequate overtime amount to those 44 workers and incorporated the necessary steps in order to avoid this happening again. The payment has been verified through the follow-up visit by the third party auditor.

Going forward we continue to support the factory to improve these findings in a systematic and sustainable way.

We are committed to all Tier 1 suppliers continuing to be audited and achieving high CSR standards in externally conducted audits.*

* Audit results above 75% scoring, in line with Intertek Workplace Conditions Assessment scoring methodology.



SOCIAL AND ENVIRONMENTAL MANAGEMENT WITHIN THE SUPPLY CHAIN CONTINUED

CSR monitoring programme continued

We take a collaborative approach with our suppliers and, when issues are found, a corrective action plan is agreed to remedy non-conformances in a timely manner. We then carry out further follow-up checks to verify that the corrective actions have been taken. Should a supplier fail to remediate issues identified by an audit during the agreed timeframe, or immediately if a ZT is found, it goes through the appropriate escalation process and the supplier partnership is reviewed and may be terminated.

During the Covid-19 pandemic, although it was challenging to continue our factory monitoring programme, our in-country quality and sourcing teams continued our engagement with the manufacturing sites to understand how the pandemic impacted our suppliers. We are proud that, despite the pandemic, during FY21 more than 90% of our Tier 1 finished product suppliers were physically audited and all surpassed our required CSR audit criteria. When travelling to the countries was not possible, we used virtual audits to continue to engage with the factories. Going forward, we are committed to all Tier 1 suppliers continuing to be audited and achieving high CSR standards in externally conducted CSR audits (i.e. with results above 75% scoring, in line with Intertek Workplace Conditions Assessment scoring methodology).

We are committed to respecting human rights and we do not accept modern slavery in any form. Find out more about what we are doing in our Modern Slavery Statement.

www.drmartensplc.com/application/files/2916/1720/1491/ModernSlaveryAct.pdf

Environmental management in our supply chain

Our Environmental Standards set out our expectations for our suppliers' environmental management. In 2019, we partnered with an environmental consultant to conduct environmental audits at our key footwear suppliers against these standards. These audits helped us identify key environmental risks which we have since been working to progress. One of the environmental risks in our sourcing countries is waste management in countries which have weaker waste infrastructure or where waste disposal practices are less transparent. We require our Tier 1 suppliers to have a formal waste management plan in place, aiming to minimise waste at source and where this isn't possible reusing or recycling it - avoiding landfill if at all possible. We have also started monitoring our key suppliers' energy, water, waste and chemicals use on a quarterly basis in order to identify potential improvement areas. The audits and further monitoring also concluded that the water use in our footwear suppliers is mostly for domestic purposes, like handwashing. As part of our CSR audits we are also monitoring the compliance of the wastewater discharge from our Tier 1 factories. By 2025 we've committed to rolling out environmental certification standards to all Tier 1 suppliers.

Leather is a key material for our footwear. We nominate and specify from tanneries for all our upper footwear leathers and leather goods, meaning we stipulate which tanneries our leather comes from to ensure they have the highest standards, and we are working to nominate and specify from tanneries for all the leather we use (including linings). In our AW20 and SS21 production, more than 98% of our leather came from medal rated Leather Working Group (LWG) certified tanneries. This means that the tanneries comply with the LWG medal standards for water, chemical and waste management. All tanneries that are involved with wet processing of hides or leather for our uppers have their own direct or indirect effluent treatment facilities. On-site effluent treatment facilities are audited by LWG against its wastewater protocol. This ensures that water is treated before being released and does not pose a risk to local waterways or habitats. Going forward, we plan to collect and analyse environmental data from the tanneries in order to better monitor the environmental impact of the production of leather. More information about environmental management of our materials can be found on pages 58 and 59.



RSL and chemicals management

Restricted substances are chemicals and substances which have been banned or restricted for various reasons such as health and safety and environmental concerns. The purpose of a restricted substances list (RSL) is to reduce the use of hazardous substances in the product and supply chain. Testing methods are used to verify if a chemical is present and, if so, ensure it is below the restricted level.

Our General Material Requirement Policy (GMRP) is part of our RSL programme and is key to ensuring that our products comply with all relevant product safety legislation and requirements. The GMRP is shared with and signed by our Tier 1 and key Tier 2 suppliers each year. It is reviewed and updated annually and is aligned with the legal testing requirements in all our operational regions (UK, EU, US, China, Japan and Korea) including REACH legislation and California Proposition 65, which is considered the most stringent chemicals legislation worldwide. We are committed to continuing to be compliant with the tightest chemical regulations identified worldwide through a best practice chemical management system.

We use third party testing labs to test products against the highest applicable requirements for the markets they are sold into. All of the testing labs we work with are pre-approved by us to ensure we only work with trusted testing partners. Every new material and component type in our products goes through a rigorous testing programme each season to ensure it is compliant. Random products are selected from the production line by our Quality and Compliance team. As well as a comprehensive testing programme for our components and raw materials, we also carry out seasonal "rip down" (finished product) testing, where products are shredded and the individual components tested. If a product or material should not meet each of the test criteria, an investigation is launched immediately to remediate the failure.

Packaging and logistics

The majority of the packaging we use is to protect and transport the product in our supply chain. To achieve our target of minimising our packaging use through reduction and reuse by 2025, we reviewed our supply chain packaging against sustainability criteria to understand where we need to focus our efforts. This highlighted a number of quick improvements we can make, such as sourcing more packaging with a sustainable certification (such as FSC), discontinuing items that are not recyclable (such as the single-use plastic bags for spare laces), and increasing the recycled content in our packaging. This exercise also gave us learnings of where we are implementing best practice in some regions, for example reusing boxes in Hong Kong and China, that can be implemented elsewhere in our supply chain.

It has also informed a programme of longer-term work, such as right-sizing in logistics to reduce our carbon emissions, and considering circularity in our packaging practices which will help us achieve our commitment that 100% of packaging will be made from recycled or other sustainably sourced material by 2028.



We are proud that our standard shoebox is fully recyclable, made from 95% recycled paper and printed with soy ink.



“We are committed to continuing to be compliant with the tightest chemical regulations identified worldwide through a best practice chemical management system.”



Sustainability continued



MADE IN ENGLAND

The first Dr. Martens boot was born on 1 April 1960 in our Cobbs Lane factory in Wollaston, England. To this day, the site remains home to our own Made in England (MIE) manufacturing facilities which we use as our "centre of excellence".

Around 70 people work at our MIE manufacturing facilities, which produce our vintage, Made in England and Collaborations ranges. Some of the methods and techniques used to make our shoes are unique to our brand, as are the machines needed to complete them. The manufacturing process is much the same as it was over 60 years ago when the very first Dr. Martens boot was produced.

Our operations:

Being a responsible brand starts with our owned and operated facilities:

- All of our UK offices, MIE manufacturing facilities and UK distribution centre are zero waste to landfill. We are also working to achieve this in our key footwear suppliers.
- Our UK distribution centre was designed with sustainability in mind and achieved a BREEAM rating of Very Good. It has solar panels fitted, is supplied by 100% renewable electricity and has energy efficient air conditioning. It is also fitted with energy efficient lighting, as is our US distribution centre.



Achieving ISO 14001

In 2019, we set ourselves the goal to understand and improve our environmental impact in our Made in England manufacturing facilities. This ambition led us to start our journey to implement an effective environmental management system and to achieve ISO 14001 certification at our Made in England manufacturing facilities. In April 2021 we attained the ISO 14001 certification.

ISO 14001 is the internationally recognised standard which enables organisations to monitor their environmental impacts in a systematic way and demonstrates a commitment to environmental protection above and beyond legal requirements.

We wanted to lead by example by gaining accreditation at our own manufacturing facilities first, and then roll out environmental certification standards (ISO 14001 or equivalent) to all our Tier 1 suppliers by 2025.

During this process, we not only achieved the certification but also understood our biggest environmental impact areas and set objectives to make reductions, especially on waste and energy. We started to communicate with our internal and external stakeholders through a common goal of achieving these reductions. We believe our suppliers and customers are key to achieving our goals, and some of them have been on the same journey already. We also improved our internal systems to give further assurance that the legal requirements are fully met at all times, and data and actions are captured consistently. Further to this, we engaged the internal teams that run the day-to-day factory operations. They are passionate about doing the right thing and making the changes needed, as identified in the management plan agreed through the ISO 14001 process. Our focus now is to continue to improve the environmental performance of our MIE manufacturing facilities, such as reducing our waste and energy use, and to continue to train and upskill our factory staff. We will also start with our commitment of rolling out environmental certification schemes with our Tier 1 suppliers.

Key milestones:

- April to July 2020:** Defined project scope, chose our accreditation company and appointed consultancy support
- August 2020:** Project kick-off with the team and set our objectives, including energy and waste reduction goals
- January 2021:** Passed the Stage 1 audit
- February 2021:** Continued to improve internal processes including the launch of our environmental aspects register and legal register. Carried out internal auditor training
- March 2021:** Increased communication about the projects internally and externally, including discussions with our wholesale customers and suppliers to MIE
- March 2021:** Passed the Stage 2 audit
- April 2021:** ISO 14001 certification awarded to our MIE manufacturing facilities



Dr. Martens apprenticeship scheme

Started in 2012, the Dr. Martens apprenticeship scheme runs over a twelve-month period. Apprentices learn about footwear production from start to finish, as well as the unique Dr. Martens manufacturing process. All apprentices are guaranteed a role with us upon graduation and the scheme is currently supported by Northampton College.

40

apprentices hired since launch

90%

stay on at Dr. Martens after graduating

At launch, the scheme was the only genuine footwear apprenticeship in the UK and has seen nine classes of students graduate since then. It's supported by the British Footwear Association and Dr. Martens was one of a small number of manufacturers that helped create the new footwear apprenticeship standard in 2015. It has also given us an opportunity to challenge pre-existing stereotypes in the footwear manufacturing industry and live our values of diversity and inclusion (read more on page 67).

Frankie Lister

Product Manager, Portland, USA (class of 2012)

"I'd always been interested in footwear but had no experience, so the apprenticeship scheme was a great way to learn about manufacturing, Dr. Martens' business and the industry as a whole, all while earning a qualification. I come from a working-class, single-parent family, so the apprenticeship meant I could be financially independent as I learnt. For the last three years I've lived in the USA and work as the Product Manager for the Americas region. Nine years on, it has led to the most amazing opportunities and experiences!"



Tanya Granaghan

Training and Apprenticeship Supervisor, Cobbs Lane, UK (class of 2018)

"I started in 2018 after graduating in textile design. I got to learn the ins and outs of shoe making and manufacturing an iconic product. After the apprenticeship I got a job as a Lasting Operative. I'm now the Training and Apprenticeship Supervisor where I get to share my skills and knowledge with new starters and help our Company grow. It's really inspiring seeing the apprentices progress and find their place in the factory."





Sustainability continued

OUR MATERIALS

We believe that to make durable, long-lasting products we need to choose durable materials. We have two key materials that make up the majority of our footwear: leather and PVC. These each have unique challenges and opportunities, which we are addressing through incremental improvements as well as long-term research and development. This will allow us to achieve our target that all our footwear is made from sustainable materials by 2040 without compromising quality.

LEATHER

Dr. Martens has a long tradition of making leather shoes. We used leather for the first pair we made, and it remains our most used upper material. The durability, quality, availability and scale of leather means it is currently the preferred upper material for our footwear. We are making continual improvements to ensure the leather sourced from Tier 2 suppliers is produced as responsibly as possible, which you can read more about below. We are also committed to our footwear being made from fully sustainable materials by 2040, without compromising quality. That is why, along with looking at sourcing leather more sustainably, for example through regenerative practices, we are also researching alternative materials that meet our sustainability, durability and quality standards.

Leather is highly durable and a by-product of the food industry. Its supply chain and manufacturing processes need careful and active management to ensure it is responsibly sourced. For this we have a dedicated leather expert within our supply chain who ensures we are demanding the highest standards.

The Leather Working Group

We are an active member of the Leather Working Group (LWG) which aims to improve the leather manufacturing industry by creating alignment on environmental priorities, bringing visibility to best practices and providing suggested guidelines for continual improvement. LWG rated tanneries are the highest standard of leather tanneries across the world. The LWG collaborates with other industry bodies to ensure cross-industry alignment, for example the World Wide Fund for Nature (WWF), the National Wildlife Federation (NWF), Solidaridad, Zero Discharge of Hazardous Chemicals (ZDHC) and the Textile Exchange.



LWG tanneries are audited on their environmental performance and certified as "Gold", "Silver", "Bronze" or "Audited". In our AW20 and SS21 production, more than 98% of our upper leather came from Gold, Silver or Bronze medal rated LWG certified tanneries with 48% being from Gold medal tanneries. We are actively working with tanneries and the LWG to ensure all of our leather comes from LWG certified tanneries, and are on track to achieve this for all our upper

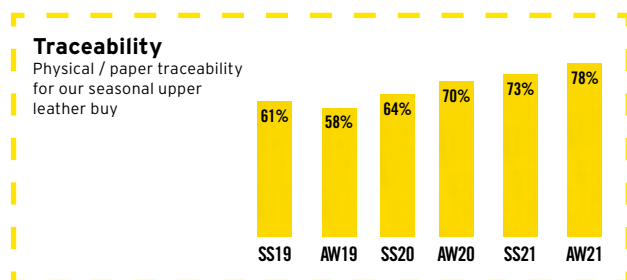


leather over the coming year. The medal rated tanneries comply with the LWG medal standards for water, chemical and waste management. They also have their own direct or indirect effluent treatment facilities to ensure any water that is discharged is safe and does not pose a risk to local waterways or habitats.

We are proud to work with tanneries committed to improving their processes and minimising their impacts. Going forward, we are planning to collect and analyse the environmental data from the tanneries in order to even better monitor the environmental impact of the production of leather.

We are also a member of the Animal Welfare Group, a sub-group of the LWG. By working together with other brands, suppliers and NGOs, we can make better informed decisions and ensure we source as responsibly as possible.

Leather traceability



Traceability is important because it promotes good animal welfare practices and addresses negative environmental impacts, such as deforestation, earlier in the supply chain.

We are keen to lead the way in the leather industry, and have set ourselves the target to achieve 100% leather traceability by 2024. We are making consistent progress towards this, and based on the LWG traceability scoring have calculated that we have achieved 78% traceability for our AW21 production. Achieving this is only the first step in the journey, which will enable us to safeguard our leather supply chain from the risk of deforestation and other negative environmental impacts, as well as ensuring we will satisfy future legislation. This is also one of the ways we will achieve our target of zero deforestation across our value chain by 2025.

Case study

Many tanneries that we work with incorporate renewable energy, water recycling and preferable environmental processes within their standard practices.

One example of this is ISA TanTec, our biggest supplier of leather. It is a LWG Gold rated tannery group with a number of environmental initiatives including:

- engineered wetlands, which allow natural, emission-free purification of wastewater;
- rainwater collection and a water reuse system;
- solar and wind energy; and
- turning leather waste and trimmings into leatherboard (used for items like shoe soles and furniture) and small leather goods.



Animal derived materials

We have a policy which sets out our full standards regarding animal derived materials. This includes the materials we do not use, like fur, and recognises the five freedoms as a guiding standard for animal welfare. It also specifies that our shoe care products must not be tested on animals.

Going further

- We have committed to positively contributing to the natural environments we operate in by sourcing 100% of the natural materials we use in our products without compromising quality, including leather, from regenerative agriculture by 2040.
- We recognise the impact shoe production leather offcuts have on factory waste and are investigating ways to reduce and redirect leather waste from landfill.
- We are undertaking further research and development to ensure all our footwear is made from sustainable materials by 2040 without compromising quality, and meets our sustainable design criteria by 2028.

The pre-consumer waste PVC can be recycled back into the moulding process.

PVC

Today, the majority of our outsoles are made from an alloy of PVC, a durable and commonly used material. Granulates are melted and moulded into shape to create our famous Dr. Martens air-cushioned sole.

The soles of all our Originals and workwear products are oil and fat resistant. Our soles are also designed and tested to offer abrasion and slip resistance, while the air pockets provide comfort and shock absorption.

Durability

We know that making durable products is key to sustainability. To attach the sole, a PVC welt is first stitched to the upper of the boot. The welt and sole are welded together at a temperature in excess of 650°C using a hot blade and pressurised rollers that force the components together. Once cooled, the two components form one piece of PVC and the sole has been attached without the use of adhesives.

The use of PVC as one of our materials ensures our products will stand the test of time.

In Asia, our manufacturing PVC waste is reground and put back into the production of outsoles. At our MIE facilities in the UK, we don't have the required grinding facilities to do this, so to stop it being disposed of we partnered with a local wellies and jelly sandals manufacturer, which recycles our PVC manufacturing waste into new footwear.

Chemicals are used in the production of our components, including outsoles. As with every chemical process, if handled incorrectly it can be harmful to human health and our environment. To mitigate this we have a robust testing regime, ensure every product complies with our General Material Requirement Policy which includes the Restricted Substance List (RSL), and are committed to continuing to be compliant with the tightest chemical regulations identified worldwide.

Suppliers manufacturing our PVC soles are reviewed as part of our CSR monitoring programme to ensure the adequate health and safety measures are taken in the factories for the workers in the outsole production and assembly.

Going further

We will continue to research and develop more sustainable materials for the future, such as biosynthetic and biodegradable alternatives to PVC, and are currently working with a global chemicals manufacturer to achieve this whilst maintaining the DNA of the Dr. Martens brand.

As PVC is largely derived from fossil fuels, this research and development should allow us to achieve our target to remove fossil-based chemicals from our products by 2030, as well as our target of all our footwear being made from sustainable materials by 2040 without compromising quality.



CLIMATE AND CARBON



Rapid action is needed to respond to the climate crisis. It is a global challenge that already affects us all, and will increasingly do so.

Scope 1 emissions: Direct emissions from owned or controlled sources, e.g. fuel for transport.

Scope 2 emissions: Indirect emissions from the generation of purchased energy, e.g. electricity.

Scope 3 emissions: All other indirect emissions that occur in the value chain, e.g. distribution.

In order to help us improve the impacts of our direct business, we have had our global Scope 1 and Scope 2 GHG emissions independently measured, as well as limited emissions under Scope 3 (see the Streamlined Energy and Carbon Reporting (SECR) statement for details). This is the first year we have measured beyond our UK operations and so do not have a global year-on-year comparison; however, our Scope 1 and 2 UK consumption has fallen significantly which reflects the periods of closure for our retail stores and offices that have been impacted by the Covid-19 pandemic.

We have control over our direct impacts and our proactive approach to the reduction of our carbon emissions has allowed us to take the first steps in our journey to become net zero. For example:

- We have solar panels on our UK distribution centre, providing renewable electricity.
- In the UK over 97% of the electricity we use comes from a green tariff. This includes our stores, offices, distribution centre and factories.
- We are reviewing the implementation of the energy saving and renewable energy initiatives that were identified in our Phase 2 ESOS assessment conducted in 2019 in the UK. Informed by the ESOS, we now have a wide coverage of LED lighting in our retail stores and have started to engage our team in using heating, ventilation and air conditioning (HVAC) systems effectively.
- We are committed to sourcing certified renewable energy across all our owned and operated facilities by 2025.

We know we have a part to play that looks beyond our direct impact. As a footwear company, most of our climate impacts lie within our global supply chain. That's why in addition to our efforts to reduce our direct emissions, we are committed to working with our suppliers to achieve our commitment of being net zero by 2030.

We have achieved some initial milestones towards managing our carbon footprint; however, we still have a long way to go. We are committed to expanding our work on measuring our global carbon footprint, and over the coming year will be including Scope 3 emissions in the value chain. We are also looking to engage our supply chain to build on our existing lifecycle analysis work, and will start planning further emissions reduction initiatives across our global operation.

We have considered a number of frameworks when determining our approach to carbon management and the climate, including the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). We will report against the TCFD framework in our FY22 Annual Report and are also submitting a disclosure to the Carbon Disclosure Project for the first time in 2021 as part of expanding our activity in this area.

“As a footwear company, most of our climate impacts lie within our global supply chain. That's why in addition to our efforts to reduce our direct emissions, we are committed to working with our suppliers to achieve our commitment of being net zero by 2030.”

Streamlined Energy and Carbon Reporting statement

Emissions data in respect of the FY21 reporting period is as follows:

GHG protocol scope	Sub-category	FY20 tCO ₂ e	FY21 tCO ₂ e
Scope 1 (UK)	Gas and transport fuel	184.33	172.27
Scope 1 (global)	Gas and transport fuel	Not reported	295.50
Scope 1 (global)	Fugitive emissions	Not reported	238.03
Scope 1		184.33	705.81
Scope 2 (UK)	Electricity	707.76	387.13
Scope 2 (global)	Electricity		1,164.83
Scope 2		707.76	1,551.97
Scope 1 and 2 emissions		892.09	2,257.78
Scope 3	Grey fleet	5.41	5.34
Scope 3		5.41	5.34
Total emissions		897.50	2,263.12
UK energy use		3,724,597.56 kWh	2,185,269.00 kWh
Global energy use			4,475,654.39 kWh

Notes

- Our methodology has been based on the principles of the Greenhouse Gas Protocol, based on Financial Control. We have reported on all the measured emissions sources required under The Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations. The period of our report is 01/04/2020-31/03/2021.
- This includes all emissions under Scope 1 and 2 of the GHG Protocol and limited emissions under Scope 3 (fuel used in personal/hire cars for business purposes). We are committed to expand our work on measuring our global carbon footprint, including Scope 3 emissions in the value chain.
- Conversion factors for UK electricity (location-based methodology), gas and other emissions are those published by the Department for Environment, Food and Rural Affairs for 2020-21.
- The report format shown above allows for partial comparison with previous reporting. The report for our first year of SECR reporting (FY20) used the format required for private, unquoted companies. As we are now a quoted company, we have used a different format for this year of SECR reporting which includes reporting on global emissions and energy use.
- Due to the change in our reporting requirements, a more appropriate performance metric has been selected. In FY20, our intensity metric was total gross internal floor area equating to an intensity of 36.4083kg CO₂e/m² based on UK only emissions and floor area. For FY21 and onwards, our performance indicator will be £ turnover covering global emissions and turnover. For FY21, our turnover was £773m, with 2,263.51tCO₂e emissions; therefore, the intensity was 2.93 tonnes/turnover. Comparison of the new year-on-year intensity metric will begin from FY22.

Statement of exclusions

- No known exclusions.

**Dr. Martens**

SELLING RESPONSIBLY

Selling responsibly is about inspiring a new sustainable approach in our design methodology and material specification not only in our existing stores today but for our stores of the future.

By leveraging the brand's values there is direct licence to be fearless in our ambition, creative in our approach, rebellious in our actions and resilient in our commitment to the cause. Together we are redefining an engaging and sustainable retail future at Dr. Martens.

Steven Brimacombe, Global Head of Store Design



The role of our stores is more than simply transactional; they are beacons for our brand vision and values. We are therefore working on the sustainability credentials of our stores.

We are committed to incorporating sustainable materials and practices into our retail design vision and marketing processes, as well as embedding sustainability into the operation and supply chain of our retail stores.

Sustainability audits

Selling responsibly is one of our core sustainability strategic pillars. Within this, there are four key areas we are addressing:

Store design and procurement

- Everything from the floors to our paint finishes. It all has an environmental impact. We carefully consider the longevity of the materials we use in our new stores, from using recycled timber flooring through to the LED lighting systems.

Consumer-facing retail

- Whether it be our window displays, bags or visual merchandising. We consider the materials used, the longevity of the props that support our campaigns, and where items are sourced from to reduce the carbon footprint where we can.

Non-consumer-facing retail

- To achieve our goal of net zero by 2030 we are considering everything from the light fittings we use to the type of heating in store. In the UK, over 97% of the electricity we use comes from a green tariff. That includes our UK stores, offices, distribution centre and factories.

In-store employee education

- Making sure our colleagues know what they can do to run our stores as sustainably as possible and ensuring they can help our consumers get the most life out of their shoes.

Earlier this year we undertook a global sustainability audit across all our own stores. These audits consider factors across these four areas to understand our biggest impacts. This will help us determine how we sell more responsibly now and further into the future.

Retail reimaged

Consumer behaviours and retail trends are constantly in flux, and we are exploring how flexible design can accommodate this shifting landscape. The most disruptive, wasteful and expensive factor in retail operations is change, and if we can in-build the ability to flex space and products, we can eliminate that cost, upheaval and environmental impact.

Responsible refurbishment

We are also considering how to refurbish our stores as sustainably as possible, for example by retaining, repurposing and reinventing our existing furniture.

We are testing the replacement of LED bulbs to smart switch systems that, for instance, automatically turn down the lights when the sun comes up.

We are also in the process of adopting recycled Richlite, a Greenguard and FSC certified durable material, in place of traditional MDF.

Paris shop-in-shop

Spaces we don't have full control over give us a different challenge all together. A 42 m² shop-in-shop in Paris' Citadium shopping centre provided an opportunity to focus on the key areas and materials we could impact. By drawing on our brand's connection to music and culture, we used sustainable materials to develop a modern, functional aesthetic. These materials, including Richlite external furniture and Phelonic FSC certified plywood, were combined with LED lighting to echo the Tough as You campaign values of resilience and self-expression.

Hang up your boots

Even the most loved boots will one day come to rest. By 2040 we are committed that all our products will have a sustainable end-of-life option. We are currently developing a strategy to make sure that our footwear doesn't touch landfill and is disposed of (or brought back to life) responsibly. We are also committed to offering options and guidance for our consumers to maximise useable life by 2025.



In FY21, Planet Docs grew to 135 own stores by opening an incredible

18 stores in
7 markets across
3 continents





OUR CULTURE

Our Brand on the Record

"Our Brand on the Record" provides a framework of what we stand for, how we behave and what we believe in.

Shared as a vinyl record with employees on their first day, it lays out the Fundamentals and the Stuff that Sets Us Apart, including integrity and passion, which are manifested in the ways our people experience their life at work.



Dr. Martens' culture is rooted in an ethos of "doing the right thing" that goes back to the origins of the brand as a family business. We are committed to cultivating an environment for our people to feel included, empowered and equipped to be their best.

Talent

We are where we are today because of our people. Talent is one of our key assets, and to ensure we can deliver our strategy we have made some changes to enable us to continue to attract top calibre individuals. We have hired a Global Head of Talent Acquisition to help us build consistency and capability of people and processes across all regions. We have also rolled out a global project to establish how we recruit, which supports our DE&I ambitions by ensuring we have an approach to diverse talent sourcing and a consistent assessment methodology for interviews.

What does Dr. Martens' culture mean to you?

Char Srahan

Culture Co-ordinator (Group)

"To me, Dr. Martens' culture means coming to work as my whole self. Life at Dr. Martens is so much more than just our job role."



Greg Doctolero

Business Systems Analyst (Americas)

"To me, Dr. Martens' culture means being rebellious and authentic. We work in an environment that unapologetically cultivates creativity and progress; it's the people that make Dr. Martens such a unique experience."





People first

The Culture teams organise varied initiatives for employees to keep the brand's culture alive, including:

- Stay active: Fitness boot camps, yoga and pilates classes.
- Be entertained: DJ sets, virtual pub quizzes and bingo.
- Be well:
 - Mindful Monday: a top tip/resource shared globally on a weekly basis, like listening tips.
 - Drop-in chats to connect with people from around the Dr. Martens world.
 - Nutrition talk providing useful tips and recipes.
- Go grow: More learning and development programmes open to all employees. This was especially helpful for store staff who took this opportunity to further develop their leadership, planning and selling skills in preparation for reopening after lockdown.

Learning and development

We have great people at Dr. Martens and we're passionate about creating opportunities and building skills that support their learning and growth. That is why we offer leadership development for leaders at every level, from our First-time Manager programme, helping our newest leaders transition smoothly, to Leading the DM Way, our flagship programme for our senior leaders. In addition, a strategic priority for our dedicated Learning and Development (L&D) team is to further embed our performance development framework so we have programmes such as "Even Better Conversations" and a tool - My Record - which supports frequent and meaningful coaching and performance development. We are also implementing OpenBlend, a digital platform that facilitates effective conversations, and we will be launching a webinar series focused on personal effectiveness.

Mental health and wellbeing

We support the mental, social, physical and financial wellbeing of our people. In our ongoing commitment to mental health and wellbeing, in 2019, we signed the "Time to Change Employer Pledge" and trained our people in mental health first aid to help create a more open, understanding and supportive culture around mental health challenges in the workplace. We also have a Mental Health Network available to our people, which includes resources, help, support and someone to talk to. These initiatives exist to lead the way in working towards ending mental health discrimination and to break the stigma surrounding mental health.

Other initiatives include an Employee Assistance Programme, a free and confidential advice service, an annual volunteering allowance, a discount scheme, and regular educational events around mental wellbeing, diversity and inclusion, and personal and professional development.

Future of working: upcoming plans

As a result of the global pandemic, we needed to fundamentally change how we work to protect our people's health. We now

Awards

- Drapers - Best Place to Work 2019
- HR Distinction Awards - Distinction in Employee Engagement and Experience 2019
- Business Culture Awards - Business Culture Achievement Award 2019

know that we won't go back to the old ways of working so we need to develop a new operating model in our offices to ensure our people have a work-life blend that is sustainable. For our office-based teams, working under such unusual and challenging circumstances during Covid-19 has brought up some important questions for us in how we utilise our physical workplaces, accommodate flexibility, and create opportunities and environments - physical and digital - for collaboration, discovery and connection. We are currently reviewing our ways of working with input from our people and an external consultant, to define what the future of work looks like at Dr. Martens so we create a healthy and sustainable way of working for our people.

Engagement

2020 Pulse Survey

Annual surveys and listening groups help create a picture of how our people engage with our brand, culture and the employee experience we provide. The results from a Pulse Survey in May 2020, taken during a period of lockdown due to the pandemic, showed:

- People felt an overwhelming sense of togetherness and positivity around how the Covid-19 crisis had been handled by Dr. Martens.
- Dr. Martens' open two-way communications were recognised and appreciated by its people - 91% felt well informed about what's happening at work.
- People felt supported and secure (in relation to their job and pay) - 78% felt positive about work.

2021 Engagement and Inclusion Survey

As part of Dr. Martens' Employee Listening Strategy, our 2021 Engagement and Inclusion Survey asked our entire global team how they feel and experience life at Dr. Martens. With nearly 9 out of 10 people sharing their thoughts and feedback, the results representatively highlight the areas that we want to nurture as we grow, and areas that we need to focus on in the coming year:

- Included: 83% feel they can express themselves at work.
- Equipped: 82% feel empowered and set up for success.
- Accepting: 77% agree that Dr. Martens encourages diversity.
- Valued: 77% feel that their voice and contribution matters.
- Inspired: 73% are inspired to be part of Dr. Martens' future.
- Growing: 64% keep evolving in their work and as a person.

This data tells us that Dr. Martens is a great place to work and an environment in which everyone can be themselves. It's our purpose as a brand and organisation to empower rebellious self-expression, so we're very proud that our people feel included, valued, and accepted. Over the course of the past year, following the investments we've made in people, systems, and infrastructure, we've seen significant improvements in how our people feel informed about what's happening at Dr. Martens and equipped to do their job well.

But we know that we have more work to do.

We have placed a big emphasis on ensuring our managers know that 'engagement happens at a local level', and have encouraged and supported all our senior leaders to have action focused feedback sessions following these results. We are also focusing on growth and, as part of this, are currently recruiting for a Global Head of L&D to drive the agenda and build on the great foundations we have put in place.



DIVERSITY, EQUITY AND INCLUSION

In this together

Diversity, equity and inclusion (DE&I) are firmly on our leadership agenda; they are part of who we are as a business and as a brand. We're proud that 85% of our employees say they can be themselves at work, and we're striving to increase this even further. It boils down to treating people right, striving to do better and learning when we get it wrong. It starts with open minds, open eyes, open ears and open conversations. This isn't doing the nice thing. It's doing the right thing.

Over the past year, we have been on an important journey in how we evolve DE&I at Dr. Martens and support the communities of our consumers. Part of this journey involved bringing the right experience and capability in house in DE&I and talent acquisition. We also worked with an external partner to audit and review our policies and practices. For our continuous education, we brought in speakers to discuss bias, race and gender, and we are in the process of creating tools and resources on inclusive hiring practices and cultural sensitivity training.

We have shared some of the work we've done over the past year.

But we recognise there's more work to be done.

Dr. Martens boots have always been adopted by free thinkers. By the bold and the brave. We and our consumers are individual in many ways, but we are united in spirit. And that spirit is one of diversity and inclusivity. This is who we are; this is who our consumers are.



Supporting the fight against racism

One of the biggest things that happened in 2020 was the global conversation on racism and how it impacted workplaces, as well as our world overall. It was a time of great reflection and meaningful conversations on how we move forward and build our capabilities to understand the intersection of experiences of people of colour within Dr. Martens.

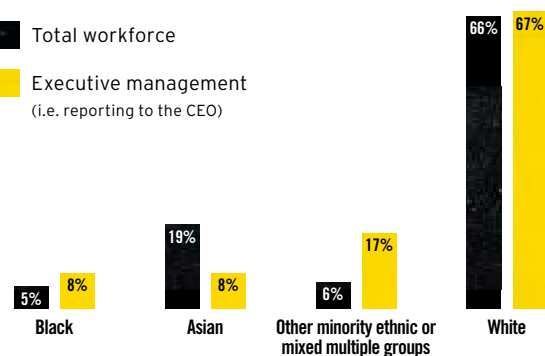
It became clear that we needed to listen even harder to our employee base, support the broader community, increase our capabilities and set a direction for change. Some of the ways we went about this were:

- Listening groups:
 - We partnered with Global Diversity Practice (GDP) to support the facilitation of listening circles that provided a safe space where we could understand some of the experiences of our employees. This gave us a clear set of actions to feed into our global DE&I strategy.
- Unconscious bias workshops:
 - We started to explore how bias showed up in our working environment and how we can address and eliminate bias in our processes.
- Charity and not-for-profit support:
 - We donated £100,000 to anti-racism charities and not-for-profit organisations as chosen by our employees, including Show Racism the Red Card and NAACP Legal Defense and Educational Fund, and have continued to support causes committed to racial equality in 2021. More details on some of the other causes we support can be found on pages 68 and 69.

There's a lot more to be done, and we will continue to build understanding and develop further actions to enhance our representation of people of colour and create an equitable working environment.

Racial/ethnic diversity

■ Total workforce
■ Executive management (i.e. reporting to the CEO)





LGBTQ+

Dr. Martens has always been rooted in the LGBTQ+ community. With 26% of our global workforce identifying as LGBTQ+, this is a community we are able to speak to authentically. Over the years, alongside creating a "Pride" boot, we have donated money to various global LGBTQ+ charities and have used our social media platforms to amplify the voices of those that are marginalised in the LGBTQ+ community. Our latest Louder Together campaign is a prime example of our commitment to the community.



26%

of our global workforce
identify as LGBTQ+

Pride

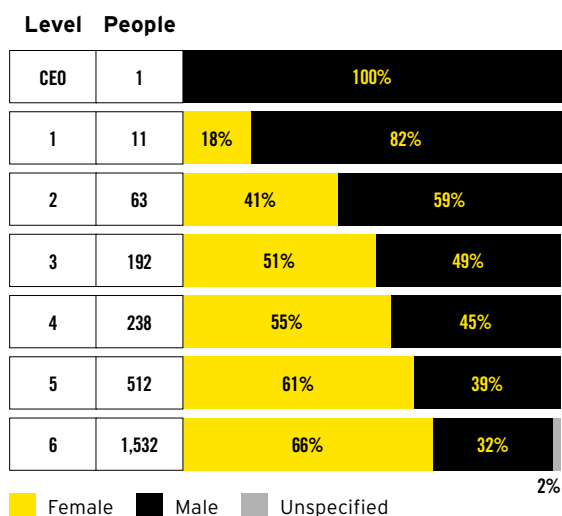
Pride is an opportunity to celebrate everything we stand for: diversity, empowerment and community. Each year we continue our tradition of supporting, honouring and celebrating the LGBTQ+ community with our Pride-inspired 1460 boot.

In association with our 1460 Pride boot and in support of the LGBTQ+ community, we donate to Albert Kennedy Trust (akt), an LGBTQ+ youth homelessness charity. Akt provides safe homes, mentoring and support for young people who have lost their home coming out to their parents or guardians. Alongside working with akt, Dr. Martens supports and donates to The Trevor Project each year, a leading US-based crisis intervention and suicide prevention organisation focused on saving young LGBTQ+ lives.

Gender

Like many businesses we have worked to diversify the gender split in our internal workforce especially in traditionally "male" teams. For example, in our technology team we have made efforts to increase the representation of women in leadership roles. Using unconscious bias training, storytelling and targeted recruitment practices and signing the "She Can" pledge we have moved from having no women in technology leadership in 2019 to 22.5% representation at the end of 2020.

Our apprenticeship scheme has also given us an opportunity to challenge pre-existing stereotypes in the footwear manufacturing industry. Since the scheme began in 2013 there has been strong female representation, with over 65% of the apprentices completing the programme being women. The scheme has also provided greater generational representation, with 42% of workers in our factory now being under 40 years old, compared to 0% at the start of the scheme.



This year, we also began work with a number of key partners including Cheryl Sandberg's LeanIn.Org, to offer its "50 Ways to Fight Bias" workshops and DE&I "101" sessions, and celebrated International Women's Day by highlighting the women who sit in leadership roles in our business and those who have been promoted in the past year into new positions.

We report our gender pay gap annually, and have a strong female presence across all areas of the business, which we see reflected in all pay quartiles. Further information can be found in the Remuneration report on page 113 and in our latest Gender Pay Gap Report.

Mental health

The Covid-19 pandemic has been particularly hard for people's mental health. To support our colleagues, we have Mental Health First Aiders and a Mental Health Network, as well as specific initiatives around wellbeing. Read more about what we are doing around mental health and wellbeing on page 65.

What's next?

This year, we will launch our global DE&I strategy and publish what we're committing to achieve. This will help us better attract, retain and promote the widest possible communities to truly reflect society. To build this strategy we engaged with our external auditor to audit our current operations in relation to DE&I across five themes: talent processes, supporting our people, leadership, communications and data. We also conducted focus groups that enabled us to gain insights into our employees' experiences and expectations of DE&I.

Having a workforce that represents our diverse customers and is inclusive and equitable is extremely important to us. As we build roadmaps to achieve our strategy, we will listen to our employees and get relevant insights to ensure everyone's voices are being heard.



Sustainability continued

SUPPORTING OUR COMMUNITIES
AND GIVING BACK

Empowering our communities around the world is part of who we are at Dr. Martens. This year, it's been more important than ever that we stand up and support one another.



This year, the Dr. Martens Foundation became an independent UK registered charity. As part of the recent IPO of the business, shareholders donated over £3m to the Dr. Martens Foundation. The Foundation will strive to be an expression of the brand and will support global causes through grants which further its mission.

Give Something Back

In May 2020 we launched our internal "Give Something Back" initiative. Our communities across the globe were being impacted by the coronavirus pandemic, so we invited our employees to nominate the causes to receive a donation to help them through the challenging circumstances.

We donated to causes big and small from around the world, all nominated by our people. These ranged from food banks, homeless shelters and healthcare charities to an emergency fund for musicians.

Supporting the fight against racism

Racism and discrimination go against everything we stand for. In 2020, we donated £100,000 to anti-racism charities and not-for-profit organisations as chosen by our employees, including Show Racism the Red Card and NAACP Legal Defense Fund, and we have continued to support causes committed to racial equality in 2021. Read more in our Diversity, Equity and Inclusion section on pages 66 and 67.

Dr. Martens in the community

Employees are encouraged to use their volunteering allowance, which was unlimited during the pandemic, to support the causes they care about most. Despite the challenging circumstances, here are just some of the ways our people continued to help out in their local communities over the past year:

Wherever we are in the world, the Dr. Martens family never fails to come together to continue to bring the community spirit – especially through the toughest of times.

Over the past few months, I have been helping out at my local vaccination site directing traffic or greeting and monitoring patients. It has been so rewarding to help millions of Oregonians get vaccinated.

Casey Rau, Regional Sales Rep, Oregon, USA

Fundraisers

Over the past year, our employees hosted internal fundraisers and challenges, which raised thousands for charity. Here are some of the highlights:

- In May 2020 we hosted virtual fundraisers for our Give Something Back initiative through internal TikTok and fancy dress challenges.
- In December 2020, our EMEA team held an internal auction and the proceeds were donated to Mental Health Europe and Shelter.
- Our Americas regional team raised funds during the festive season for the National Alliance on Mental Illness, World Central Kitchen, Kids in Need Foundation and the Loveland Foundation.

We donate our UK carrier bag charge to CALM (Campaign Against Living Miserably), which is leading a movement against suicide. CALM was selected following an employee survey where our people selected mental health as the most important topic to them.



LGBTQ+ causes

In 2020 we donated to The Trevor Project and the Albert Kennedy Trust. We are proud to have supported these causes since 2015 and have plans next year to extend our partnerships and activations in alliance with the LGBTQ+ community.

Lace up and vote

In 2020, we played an active role in ensuring all voices were heard in the 2020 USA election. We partnered with TurboVote and directed our US consumers to voter registration assistance and election reminders, and shared information via our social channels and email activations. We also gave our employees in the US the day off to vote.



In the belief that little steps make a big difference, during the pandemic I have been making lunches with the help of my kids, which are distributed to the homeless in the downtown areas of Portland. It's a small way we can help.

Lisa Kim, Vice President US Wholesale, Portland, USA

Some of the Legal team spent their volunteering time helping out in a South London community garden. Small things such as digging up weeds and planting vegetables for the food bank have helped make a big difference; we're looking forward to going back!

Hannah Dix, Global Compliance and Risk Co-Ordinator, Camden, UK



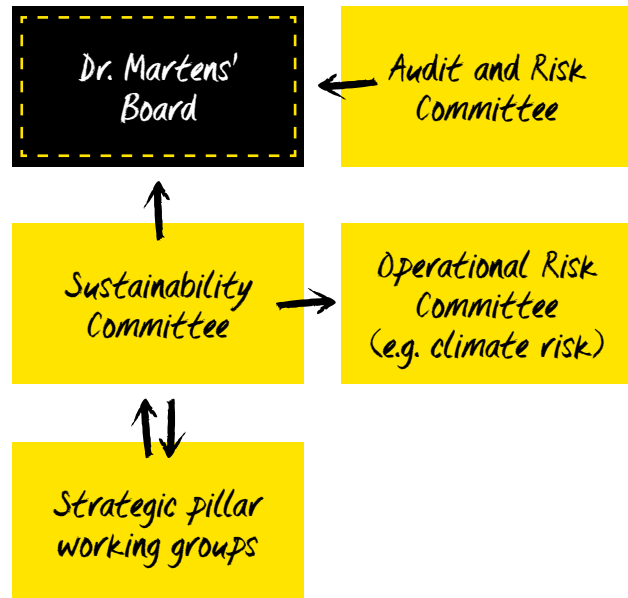
Sustainability continued

GOVERNANCE AND POLICIES

Governance

At Dr. Martens we do the right thing. Acting responsibly and with integrity is the foundation our strong governance is built on. That's why everyone that joins Dr. Martens signs up to the DOctrine, our code of conduct which sets out these high standards.

We also have a robust governance structure and risk management framework, which you can read more about on pages 74-79. Each of the five pillars in our sustainability strategy is sponsored by one of our leadership team and the overarching sustainability strategy is sponsored by our General Counsel and Company Secretary, Emily Reichwald. Our sustainability programme is overseen by the Sustainability Committee, which is chaired by our CEO, Kenny Wilson. Its members include the COO, the CPMO, the CHRO and other key functional heads. The Sustainability Committee reports directly to the Board, and meets six times a year to provide regular updates and to help determine the focus and direction of the programme. This year we are also setting up a DE&I steering committee to govern our DE&I strategy and progress.



Regular reporting

We are committed to being transparent with our sustainability journey through regular reporting and updates to the sustainability section on our website.

Robust risk management

As set out in more detail on pages 74 to 79, we have a robust approach to risk management, which takes into account internal perspectives as well as external horizon scanning for emerging risks and upcoming legislation. An example of this is the application of our risk management process to climate risk; over the next twelve months, we will perform a more in-depth analysis of potential impacts and develop mitigating actions.

Seeing progress through data

It is important that our progress can be monitored through measurable metrics. We have now set our overarching commitments. Developing the data requirements, metrics and KPIs that sit beneath these is one of our key objectives for the coming year.

The DOctrine

We have a global business code of conduct called the DOctrine which sets out our expectations amongst our own employees. Everyone at Dr. Martens signs up to the DOctrine when they join.



Policies

Our policy needs are regularly reviewed by our Legal, Compliance and Sustainability teams which work collaboratively together. Policies are developed by using international standards and by looking at best practices across the industry. They are reviewed by the Board before being rolled out. Our Compliance team is working on a new policy framework which will be developed and implemented throughout 2021.

Our key ESG policies can be found here:

- the DOctrine, including:
 - anti-bullying, discrimination and harassment;
 - data protection;
 - health and safety;
 - human rights and ethical trade;
 - anti-bribery, corruption and fraud;
 - competition law/anti-trust;
 - confidential information;
 - conflict of interest; and
 - whistleblowing;
- MIE environmental policy;
- anti-slavery and human trafficking policy;
- Animal Derived Materials Policy; and
- sanctions policy.

Supplier policies

We have a number of policies and procedures to ensure our suppliers comply with our business terms, as well as employment, environmental and other relevant laws and regulations. We have contractual provisions that require our agents, distributors and franchisees to also comply with the same terms:

- Supplier Code of Conduct;
- Migrant Worker Policy; and
- Environmental Standards.

Compliance and training

Our global compliance and training platform allows consistent and relevant policies and training materials to be distributed to our employees across all regions in relevant languages. It also provides live views and up to date reporting and monitoring of the business' progress rate, therefore allowing targeted training and communication where needed. Training modules for all Dr. Martens employees includes modules on Human Rights, Anti-Bribery and Corruption, Acceptable Usage and Cyber Security. All employees are also required to read and agree to our Anti-Bribery and Corruption Policy at the beginning of their employment and whenever it's updated.

Customer data protection and privacy

We have a duty to our customers and colleagues to respect the information we hold about them and ensure it is protected and handled responsibly.

Speak up

We have an independent, confidential hotline as an additional means for Dr. Martens employees to raise concerns and grievances relating to human rights, harassment, or any other area covered in the DOctrine.



A note from
Tuze, our Head
of Sustainability

Thanks for reading our first ever Sustainability report. I hope what has come through is the passion everyone at Dr. Martens has for doing the right thing, and the integrity and commitment with which we are going about it. We are, and always have, taken our responsibility seriously and are proud of what we've achieved so far.

We are on a journey, which began with our timeless, durable products. Now it's time for us to change up a gear; our high level commitments have set the expectations that we can start working on today so we can continue to be the custodian for the brand, for the planet and for the people who make us who we are.

Further information

Please visit the sustainability section of our website for the most up to date information about our sustainability programme, or get in touch with us directly at sustainability@drmartens.com.



Sustainability continued

SASB REFERENCE TABLE

The Sustainability Accounting Standards Board (SASB) Foundation is a not-for-profit, independent standards-setting organisation that aims to establish and maintain industry-specific standards. This table identifies the standards deemed relevant to the Apparel, Accessories & Footwear industry, as defined by SASB's Sustainable Industry Classification System (SICS). It references the location in our Annual Report that responds to each metric. There are, historically, some areas where information has not been captured; however, specifying our data requirements, metrics and KPIs is one of our key objectives for the coming year.

Metric	Category	Unit of measure	Code	Response/reference
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA-000.A	<p>We have 13 Tier 1 footwear suppliers and 13 accessories suppliers. More information can be found on page 53 (Our Suppliers).</p> <p>For our SS21 production we had 243 Tier 2 suppliers, and for our AW21 production we had 228 Tier 2 suppliers. This broadly aligns to FY21.</p>

MANAGEMENT OF CHEMICALS IN PRODUCTS

Discussion of processes to maintain compliance with restricted substances regulations	Discussion and analysis	N/A	CG-AA-250a.1	<p>Social and Environmental Management within Supply Chain (pages 52 to 55).</p> <p>Our Materials (pages 58 to 59).</p>
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and analysis	N/A	CG-AA-250a.2	<p>Social and Environmental Management within Supply Chain (pages 52 to 55).</p> <p>Our Materials (pages 58 and 59).</p>

ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN

Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	CG-AA-430a.1	<p>100% of our upper leather suppliers that conduct wet processing comply with LWG and our wastewater requirements, and 70% of these have their own externally audited effluent treatment plants. For more information see the Leather section (pages 58 and 59) and Social and Environmental Management within Supply Chain (pages 52 to 55).</p> <p>All Tier 1 suppliers must sign our Environmental Standards agreement, which includes our wastewater management and effluent treatment requirements.</p>
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Metric	Category	Unit of measure	Code	Response/reference
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430a.2	Historically this information has not been collected.

LABOUR CONDITIONS IN THE SUPPLY CHAIN

Percentage of (1) Tier 1 supplier facilities, (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct and (3) percentage of total audits conducted by a third party auditor	Quantitative	Percentage (%)	CG-AA-430b.1	<p>(1) All our Tier 1 suppliers are required to sign our Master Supplier Agreement, which includes a Code of Conduct and Migrant Worker Policy. We physically audited over 90% of our Tier 1 suppliers in FY21 despite Covid-19, all of which surpassed our required CSR criteria. For more information see Social and Environmental Management within Supply Chain (pages 52 to 55).</p> <p>(2) Historically this information hasn't been collected beyond Tier 1.</p> <p>(3) 100% of our Tier 1 CSR audits conducted were by a third party auditor.</p>
Priority non-conformance rate and associated corrective action rate for suppliers' labour code of conduct audits	Quantitative	Rate	CG-AA-430b.2	During FY21 more than 90% of our Tier 1 finished product suppliers were physically audited and 100% surpassed our required CSR audit criteria.
Description of the greatest (1) labour and (2) environmental, health and safety risks in the supply chain	Discussion and analysis	N/A	CG-AA-430b.3	<p>Social and Environmental Management within Supply Chain (pages 52 to 55).</p> <p>Our Materials (pages 58 and 59).</p> <p>Climate and Carbon (pages 60 and 61).</p> <p>Governance and Policies (pages 70 and 71).</p>

RAW MATERIALS SOURCING

Description of environmental and social risks associated with sourcing priority raw materials	Discussion and analysis	N/A	CG-AA-440a.1	Our Materials (pages 58 and 59).
Percentage of raw materials that are third party certified to an environmental and/or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	CG-AA-440a.2	<p>In our AW20 and SS21 production, more than 98% of our upper leather came from Gold, Silver or Bronze medal rated LWG certified tanneries. More information can be found on page 58 (Leather).</p> <p>Historically, this information has not been collected for PVC.</p>