

# boohoo

## MODERN SLAVERY STATEMENT

AUGUST 2019

### INTRODUCTION

The boohoo group (“boohoo group”) is a leading online fashion retail group. Our brands include boohoo, boohooMAN, PrettyLittleThing, Nasty Gal and MissPap. Our brands design, source, market and sell clothing, shoes, accessories and beauty products to customers in almost every country in the world. These products are distributed globally from two warehouses in the UK, located in Burnley and in Sheffield. We also recently acquired the fashion brands Karen Millen and Coast. The acquisition completed on 6 August 2019 and these brands will commence trading as part of the boohoo group with effect from October 2019. Accordingly, the operations of Karen Millen and Coast are not included in this year’s boohoo group’s Modern Slavery statement.

The boohoo group recognises that the fashion industry continues to face challenges in maintaining compliance standards and that there is a risk of modern slavery and human trafficking occurring in fashion supply chains. This statement is published in accordance with the Modern Slavery Act 2015. It sets out the steps that the boohoo group has taken, and is continuing to take, to ensure that modern slavery is prevented in our business operations and supply chain.

boohoo group is committed to operating in a manner that benefits all of its stakeholders. We recognise our duty of care to the people involved in the creation of our products. It is in our interest that our suppliers continue to grow with us and we are committed to ensuring that they share in the success of our continued growth.

boohoo group has a zero tolerance approach to modern slavery. We are committed to acting ethically and with integrity and transparency. We recognise our responsibility to implement sufficient systems and controls to safeguard against any form of modern slavery to continue to protect the rights of workers within our supply chain.

# GOVERNANCE & RESPONSIBILITY

The overall responsibility for implementing systems and controls to safeguard against all forms of modern slavery sits with our CEO, John Lyttle. John Lyttle was appointed as CEO of the boohoo group on 15 March 2019. Our CEO is keen to take an active role in the boohoo group's wider responsible business strategy. To support this strategy, a new appointment of Director of Sustainability and Social Responsibility will take effect from 1 September 2019. This individual will take responsibility for developing, implementing and monitoring ethical, environmental and sustainable strategy and policy across the boohoo group.

A core team of senior individuals from across the boohoo group currently supports the CEO. This team includes; the Product and Merchandising Director, the Sourcing and Compliance team, the in-house legal and secretariat teams, together with our in-house audit function. The boohoo group has also worked with external auditors to measure existing practices and procedures and drive improvements across these core functions.

In addition to reporting into the CEO, the in-house audit team has a direct reporting line to the boohoo group's Audit Committee. The Audit Committee meets at least three times a year and the in-house audit team provides a sourcing and compliance update at those meetings.

## EMPLOYEE WELFARE

Our group HR function is responsible for employee welfare across the boohoo group. We are proud of the collaborative approach we have fostered across the boohoo group, where everyone can contribute to our future success, provide frank and honest feedback and share their great ideas. Having a happy, engaged and motivated team is good for our people, good for our customers, good for business and key to our future success.

Our people are the key to our success and we are committed to investing in them through training and development and ensuring their welfare. Our in-house training and development teams support numerous initiatives across our teams, including; apprenticeships (level 3, 5 and degree level qualifications across our Burnley operation), ESOL (English for speakers of other languages), leadership development, tailored training for our customer services team, and health, safety and well-being training across our distribution centre and head office.

We continue to develop our site at our Burnley Distribution Centre to support our future and have invested significantly in our Burnley operation since 2017. The Burnley Distribution Centre is home to around 1,300 permanently employed colleagues, with a further team of agency contractors supporting our Burnley operation.

Third party logistics provider, Clipper Logistics plc, provides PrettyLittleThing warehouse and logistics operation from a distribution centre in Sheffield.

We work closely with all the agencies who supply our temporary workers to understand their policies and procedures for identifying and eradicating modern slavery within their own labour supply chains. These agencies ensure that all temporary workers are recruited and supplied to the standards required by the Gangmasters and Labour Abuse Authority. These agencies are within the scope of our internal audit function.



# SUPPLY CHAIN OPERATIONS

A snapshot of the 'first tier' of our supply chain:



## SUPPLY CHAIN - stock

The boohoo group acknowledges its responsibility to ensure that all products are manufactured under safe and comfortable conditions and in an ethical manner. We have a demanding set of procedures and policies in place to which all stock suppliers must adhere.

The boohoo group is a SEDEX member and third party audits are conducted in line with SEDEX's SMETA (SEDEX Members Ethical Trade Audit) framework. In the UK, this is supplemented by unannounced audits by our Sourcing and Compliance team. Where the audit process identifies opportunities to improve supplier operations, these issues, together with the proposed improvements are recorded in a Corrective Action Plan Report (CAPR). We work with the supplier to provide support to effect the necessary changes and improvements recorded in the CAPR.

Working in partnership with our suppliers to help them address issues within their operations is important to us; we recognise that some issues cannot be solved overnight, but with guidance, our suppliers can implement sustainable change.

We recognise that our supply chain is complex and goes beyond the 'first tier'. The supply chain additionally includes sub-contractors, fabric and component suppliers and raw material suppliers. We are committed to improving traceability beyond the first tier of the supply chain. We continue to develop a second tier subcontractor database as part of our drive to increasing transparency within the wider supply chain.

## SUPPLY CHAIN - non-stock

We recognise that we have an obligation to embed ethical purchasing practices within both stock and non-stock procurement and procurement of services.

The procurement of non-stock products and services is managed through our Procurement team, supported by our Finance and Legal teams. The Procurement team ensures that all significant new non-stock suppliers complete the supplier due diligence questionnaire and answer questions as appropriate during the tender process. The Legal team is responsible for ensuring that non-stock suppliers agree appropriate terms and conditions across the boohoo group.

# SUPPLIER MANUAL & CODE OF CONDUCT

Our supplier manual is made available to all suppliers at the contract stage and suppliers have ongoing access to it via our supplier portal. The manual is a comprehensive document which sets out the boohoo group's standards, codes and policies.

The supplier manual also outlines our Code of Conduct, which sets out the principles that our stock suppliers are expected to adhere to. They are:

## **Employment is freely chosen**

- There is no forced, bonded or involuntary labour
- Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after agreed notice

## **Freedom of association and the right to collective bargaining are respected**

- Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively
- The employer adopts an open attitude towards the activities of trade unions and their organisational activities
- Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace

## **Working conditions are safe and hygienic**

- A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers
- Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided
- The company observing the code shall assign responsibility for health and safety to a senior management representative

## **Child labour shall not be used**

- There shall be no recruitment of child labour
- Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined as less than 15 years
- Children and young persons under 18 shall not be employed at night or in hazardous conditions

## **Living wages are paid**

- Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income
- All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid
- Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned
- All disciplinary measures should be recorded

## **No harsh or inhumane treatment is allowed**

- Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited
- All disciplinary measures should be recorded

### **No discrimination is practised**

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation

### **Working hours are not excessive**

- Working hours must comply with national laws, collective agreements and international labour standards, whichever affords the greater protection
- Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week
- All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment
- The total hours worked in any seven day period shall not exceed 60 hours except only in exceptional circumstances where this is allowed by national law and allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce
- Appropriate safeguards are taken to protect the workers' health and safety and the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies
- Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period

### **Regular employment is provided**

- To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice
- Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment

### **Suppliers must comply with local laws**

- The boohoo group expects its suppliers to be in full compliance with the laws and regulations of the countries in which they operate
- The supplier will conduct itself with proper business integrity
- There shall be no improper advantage sought, including the payment of bribes, to secure delivery of goods or services to the boohoo group

### **Communication and supervision**

- Suppliers must cooperate with any representatives of the Boohoo group (or third parties appointed by them) carrying out audits to monitor compliance with and observance of this code
- Suppliers must provide these supervisors access to the necessary documentation and means to ensure this process

## **ENVIRONMENTAL PROTECTION**

We expect our suppliers to comply with all relevant laws and regulations regarding the protection and preservation of the environment.



# SUPPLY CHAIN SUPPLIER ACKNOWLEDGEMENT PROCESS

The supplier acknowledgment process requires that suppliers accept their obligations relating to modern slavery and other compliance issues by signing a compliance form. This acknowledgment process includes confirmation from suppliers that:

- They have taken steps to eradicate modern slavery within their business
- Their own suppliers are accountable to them relating to modern slavery
- UK suppliers pay their employees at least the national minimum wage or national living wage (as applicable)
- International suppliers pay their employees any prevailing minimum wage

## SUPPLY CHAIN - *additional policies*

In addition to the supplier manual, other documents relating to preventing modern slavery within the boohoo group include: Code of Business Conduct, Employee Handbook, Whistleblowing Policy, and Anti-Bribery Policy. The Human Resources teams, and the Legal and Company Secretariat teams are responsible for overseeing day to day implementation of the these policies.

## EXISTING INITIATIVES - *progress to date*

We recognise that our supply chain is complex and goes beyond the “first tier”, including sub-contractors, fabric and components suppliers and raw material suppliers. Since our last Modern Slavery Statement, we have:

- Improved traceability beyond the first tier of the supply chain and devoted significant internal resource to strengthen our work in this area, including the development of a second tier sub-contractor database
- Developed our own supplier auditing framework, including unannounced visits, to ensure first and second tier suppliers are following regulations and acting in accordance with our code of conduct
- Introduced improved payment terms for our UK manufacturers. Our UK manufactures are now paid within 14 days of their invoice, ensuring that they have improved cash flow to help manage their own operations
- Appointed a Director of Sustainability and Social Responsibility who will have responsibility for developing, implementing and monitoring ethical, environment and sustainable strategy and policy across the boohoo group

- These new initiatives build on the following established practices:
  - o Our Head of Internal Audit and the growing in-house Audit team are responsible for assessing the processes we use to audit our supply chain and the resources required to improve and implement best practice
  - o All suppliers are periodically asked to confirm the source of their materials and are subject to unannounced visits to verify manufacturing is from an approved source
  - o We continue to work with suppliers to ensure minimum wage compliance and transparency
  - o We continue to reduce the number of suppliers in our supply base to allow greater transparency and build supplier partnerships
  - o We continue to work with Leicester Council and the government Head of the Vulnerable Workers Team, highlighting the health and safety issues and risks to those vulnerable workers in buildings not considered fit for purpose and at risk of exploitation. Since 2016 we have been proactive in ensuring all suppliers have no presence in such areas and have supported suppliers by helping them move into suitable premises
  - o We regularly update our supplier portal to provide links and information for suppliers, employers and employees regarding free workshops, courses, including English and numeracy, and available grants
  - o We continue to enhance our supplier code of conduct and policies, updated our supplier manual and rolled this out across the boohoo group
  - o Our Human Resources pack for suppliers ensures they and their employees understand workers' rights and legislation, thereby reducing the risk of non-compliance
  - o We have published an external whistle-blowing policy on the social responsibility section of our website; this allows suppliers, their employees or any third party to contact us confidentially to raise concerns about the supplier activities
  - o We have ensured that all our own UK based auditors are now CPI lead auditor trained; and developed our own internal auditing procedures in addition to the third party audits all suppliers are expected to undergo to enable continued partnerships with boohoo group
  - o We have sought third-party independent assessment of our supply chain policies and procedures to identify opportunities for continuous improvement. This report identified key performance indicators, which we will continue to monitor performance

## OUR ASPIRATIONS FOR THE NEXT YEAR

We will continue to build on the great progress made to date in the transparency of our supply chain across the boohoo group. Through strengthening supplier partnerships, including implementing tailored training programmes for our supplier partners, we can build trust to gain further transparency lower down the supply chain. Improved internal data management across the boohoo group will help us achieve this.

We are also committed to expanding our overseas audit and supplier management programme. We expect to do this by growing our in-country teams in our key international territories.

We are delighted to have entered into partnership with Hope for Justice, who will help us to continue to improve the rights of workers throughout our supply base. We are also exploring partnerships with other third party bodies to assist us further in this important work protecting workers' rights.



## TRAINING



Modern slavery is an agenda item within our new employee on-boarding programme. All new employees receive general awareness training about Modern Slavery so that they have an understanding about what this means to the boohoo group.

Employees across the boohoo group who are directly involved in supply chain operations receive enhanced training. This training builds on the general awareness training, and helps our people understand how they might recognise warning signals. The content of the training has been enhanced and updated and our people receive refresher training on an annual basis, through our newly developed training portal.

## CEO STATEMENT

I am delighted to be taking an active role in our responsible business strategy, which includes our zero tolerance approach to modern slavery. As we progress on this journey, we want to make sure we have a clear lens by which we make decisions about labour rights, ethical trading and our supply chain, including external partnerships to help challenge us and help us evolve.

The boohoo group has grown exponentially over the last few years and as our business keeps growing, we want to make sure that looking great doesn't come at the expense of others – we want to continue to do the right thing by the people we work with and the countries we buy from.

To us, this means continuing to source our products responsibly, improving the lives of the people that make them, and minimising our environmental impact.

The boohoo group Modern Slavery statement was approved on behalf of the board of directors and signed by John Lyttle on 30th August 2019

*John Lyttle*  
*CEO - boohoo group plc*