

THE BOOHOO GROUP

Modern Slavery Statement
August 2021

boohoo boohooMAN PRETTYLITTLETHING *NASTY GAL* **MISSPAP** coast

KAREN MILLEN [WAREHOUSE.] OASIS wallis Debenhams DOROTHY PERKINS **BURTON**
MENSWEAR LONDON

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Overview

The boohoo group last published its modern slavery statement in February 2021 to cover the reporting period between March 2019 and November 2020.*

This statement should be read in conjunction with that statement and it covers a reporting period from November 2020 until the end of the Group's financial year ending on 28th February 2021. It covers our own operations and product supply chains for all of our group brands.

Upholding the human rights of the people who produce garments for our business is a priority. We recognise the risks of poor labour practices, human rights abuses and modern slavery in complex global supply chains and we know there is work to be done. We are committed to establishing a robust due diligence and monitoring programme. We are collaborating with others from the industry, the relevant authorities, and NGOs to tackle poor practices and protect those who are most at risk.

* We extended the timeframe of the February 2021 statement beyond a 12 month period and published it later than our previous years' statements, so that we could include details of how we have responded to the Covid-19 crisis and the steps we took to improve the labour standards in our Leicester supply base.

Foreword



At the boohoo group, our commitment to our people is woven into the very fabric of our business. We are proud that each and every one of our team share in the success that they contribute to creating. The emergence of allegations about poor labour standards and wages in our supply chain was therefore extremely concerning and in complete contradiction to our team's values.

I am proud to lead a business that has faced these challenges head on and we took the immediate decision to act. I want to be very clear that it has never been our intention to tolerate any form of exploitation nor will it ever be tolerated. This is why over the last 18 months, we have appointed some exceptionally talented and experienced individuals to lead our responsible sourcing, compliance and ethical trading teams. They have worked with external auditing and investigation specialists to forensically investigate our supply base to identify and eradicate any form of exploitation.

We created our Agenda for Change, a programme to ensure that we deliver on the commitments that we made in September 2020, we appointed Sir Brian Leveson to provide independent oversight on our progress. This programme was focussed initially on the UK but we commenced a similar level of mapping and auditing of our international supply chain in October last year and will publish our international supply chain at the end of September 2021.

We know that our order book carries significant influence and we are committed to using our size and scale for good. We will grow with compliant and committed suppliers to play our part in rebuilding a thriving garment sector in the heart of the UK - a sector that provides good employment and which makes a significant contribution to the UK economy.

A handwritten signature in black ink, appearing to read 'John Lyttle'.

John Lyttle
CEO, boohoo group
26th August 2021



boohoo group

The boohoo group is a leading online retailer. Our business was established in 2006 and has grown rapidly. In the financial year 2020/21 our revenue was £1,745 million up 41%. Profit was £124.7 million up 35%.

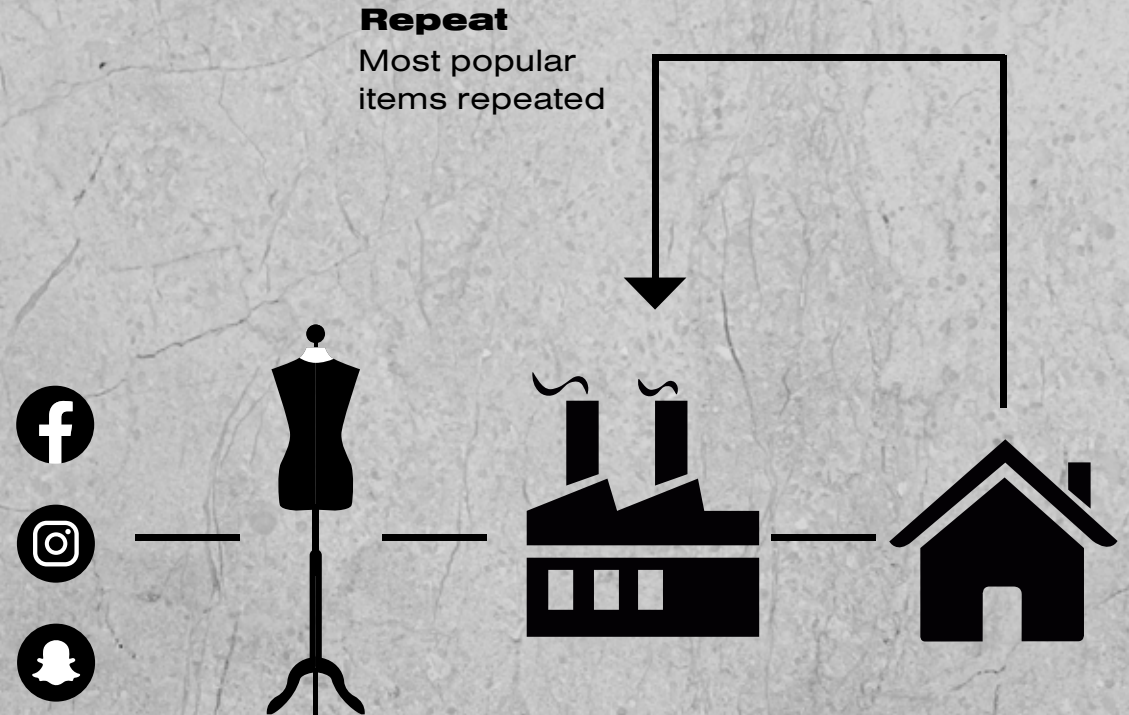
Our group of 13 brands design, source, market and sell clothing, shoes, accessories and beauty products targeted at 16 to 45 year-old consumers globally. We had 18 million active customers in 2020/21.

We use a test and repeat model which means that we purchase small runs of new stock and if our customers like them we order more. We employ approximately 5,542* people directly across the Group and have offices in Manchester, London, California and Australia. We operate two distribution centres: the Burnley facility services all the Group brands except PrettyLittleThing which is managed by a third-party in Sheffield. With the introduction of 4 new brands in early 2021 we have opened 2 new distribution centres (DCs) in Daventry and Wellingborough.

We want to operate a business that is fair to all and we are working hard to live up to this. We know that there is a lot to do to fix the fashion industry and we want to play a positive role. We believe the commitments we have made and the progress we are making will drive the change needed.

* Correct as at End July 2021

Our Test and Repeat Business Model



Concept

- Designers
- Buyers
- Suppliers

Sample into production

Turning an idea into a sample and then an order

Production

Fabric is cut and sewn

Delivered to customer

New items delivered to customers

Our Supply Chains



Unlike many other retailers, we source a large proportion of our products from suppliers based in the UK. However, manufacturers in Europe and Asia are also important to us.

The factories that we work with range from small family run facilities, to larger higher volume units, we share the majority of these production units with many other high street retailers.

The challenges faced in UK manufacturing are well documented and we continue to drive improvements for workers in this important UK industry.

We published our full UK manufacturers list in March 2021 and have maintained this regularly. Our mapping and auditing programme for global manufacturers began in October 2020 and we will publish this list by the end of September 2021.

We also work with suppliers for 'goods and services not for resale' (GNFR). This includes agency workers in our own operations as well as goods that we use in our internal business operations. We have started an audit programme with the higher risk GNFR suppliers such as those providing agency workers for our operations.

Product Supply Chain

Our strengthened product supply chain due diligence programme is in place to ensure that we can:

- Monitor in adherence with our Supplier Code of Conduct effectively.
- Understand the key risks to workers and can respond to issues identified.
- Drive improvements through our supply chain. As the UK is such an important sourcing market for us, we started here.
- Continue to develop our sourcing and ethical trade structures within all of the territories we source product from. We have recruited and built sourcing and compliance teams for both our Istanbul and Prato offices.

In response to the supply chain allegations in July 2020, the Board commissioned an independent review, led by Ms. Alison Levitt QC. Ms. Levitt and her team were provided with unrestricted access to our personnel, documentation and supply base and we published her findings in full at the end of September 2020.

The Group accepted all 17 recommendations from the Levitt report and launched the Agenda for Change programme which demonstrates our commitment to strengthening corporate governance, environmental footprint, and social impact. The Group is on track to deliver against all of Ms. Levitt's recommendations. The changes are creating a much stronger, more transparent, and more sustainable business that will benefit the UK garment industry as a whole.

As part of the Agenda for Change programme, we appointed Sir Brian Leveson and KPMG, to provide independent oversight of our supply chain. The Board have published the reports from Sir Brian Leveson in full as part of the Group's ongoing commitment to being open and transparent.

Over the last 14 months, 500 audits have been conducted at our UK manufacturing facilities. Also, a team of expert financial investigators conducted forensic financial examination of our UK based suppliers. In May 2021, we signed up to Fast Forward which are a not-for-profit, next generation labour standards improvement programme. Fast Forward uniquely combines a proven forensic auditing methodology with a collaborative beyond audit programme to support suppliers and brands to continuously improve.

In December 2020 we appeared in front of the UK's Environmental Audit Select Committee to share the steps the Group has taken and our forward plans.

We are working with other retailers, brands, local government organisations, enforcement bodies and Non-governmental organisations (NGOs - not for profit charities), within the apparel general merchandisers public private protocol (AGM PPP) to collaboratively transform the UK garment manufacturing industry.

In his reports Sir Brian Leveson has commented:-

"The Group has demonstrated that it has taken the recommendations of the Independent Review extremely seriously and has expanded its determination to develop and demonstrate a 'gold standard' in relation to the supply chain to all aspects of ethical, transparent and sustainable business practice."

"The Responsible Sourcing and Ethical Trade teams are now focused on continuous assessment of its UK manufacturing base and is demonstrating a degree of due diligence which may well go beyond that which is undertaken by other retailers or in other industries"

"I am very conscious that very few (if any) companies seeking to undertake due diligence of their supply chain will go to the lengths that boohoo has been prepared to go."

Improving due diligence and compliance

Since our last modern slavery report we have taken significant steps to improve our due diligence and compliance approach. We are embedding this in the UK and rolling it out across our global supply chain.

The key steps we have taken include:

An experienced team

Our Director of Responsible Sourcing & Product Operations leads a strengthened team of professionals in Ethical Trade, Sourcing and Sustainability.

They are responsible for this process and are building the sourcing, compliance and sustainability teams in Manchester, Leicester, London and in international sourcing hubs in Turkey and Italy. Our intention is to build teams in our other sourcing hubs over time.

Mapping our supply chain

Starting with our UK manufacturing base we mapped our suppliers and the associated factories that produce our garments. Working with external experts we have assessed their adherence to our Code of Conduct.

Using this information, we have consolidated and published our approved UK manufacturers list, so that we are working with suppliers and factories that are able to demonstrate robust management processes and alignment with our standards. A more consolidated supply chain will ensure that we can maintain the level of oversight required to ensure that workers' rights are protected. We intend to maintain our total UK sourcing volumes and believe that the steps we are taking will drive significant improvements in the UK garment industry and will help secure its future.

In October 2020 we began the process of mapping our global supply base and have brought on board new suppliers with a strong track record in responsible business practices.

Monitoring

Alongside our mapping process we have strengthened our auditing programme that we use to monitor the suppliers and factories we work with. Third party experts carry out an independent assessment of performance against our standards and our internal teams will work with suppliers to drive improvements through corrective action plans.



Global Risk Matrix

We are also developing a global risk matrix for the countries that we source from to ensure that we understand the salient risks to workers in each country and can tailor our programmes and future 'beyond compliance' work accordingly.

Governance

We have strengthened our supply chain governance process with the introduction of a Supply Chain Compliance Committee and a Risk Committee. Supply chain management is a standing agenda item at every Board Meeting.

Expert stakeholders

We are working closely with Slave-Free Alliance to assess our approach to tackling modern slavery and to establish a robust escalation process to effectively manage issues of modern slavery or other worker welfare issues ensuring the safety of the potential victim. We have also shared insights with the Gangmasters and Labour Abuse Authority (GLAA) based on our monitoring programme in Leicester and are part of industry working groups to work together to drive standards for workers.

Transparency

In September 2020, our CEO John Lyttle, publicly committed that the Group would act more openly and transparently. Since this time we have published the Alison Levitt QC report in full, made Sir Brian Leveson's reports to the Board available for anyone to read, we have published our approved UK Manufacturers list and are embarking on plans to encourage members of the public to come and meet the makers of our clothes. Furthermore, we are working closely and collaboratively with Government agencies and NGOs to share the findings from our extensive investigation work to support our aims of creating a vibrant and exploitation free manufacturing hub in Leicester and beyond.

Training

We have developed in partnership with Slave-Free Alliance an enriched Modern Slavery Training programme and this has commenced across the Group including buying & merchandising, and Group central functions.

Our strengthened governance process

Boohoo Group Board

Supply chain compliance is a standing item on every Board Meeting agenda. Director of Responsible Sourcing & Product Operations gives a progress report and recommended actions are clearly minuted.

Risk Committee

From January 2021 the Supply Chain Compliance Committee will report to the Risk Committee. This Committee will meet quarterly. Supply Chain Compliance Committee will provide progress reports and actions which will be clearly minuted.

Supply Chain Compliance Committee

Chaired by CEO John Lyttle comprises representatives from sourcing, sustainability, ethical compliance, product compliance, buying, merchandising and internal audit along with our Group General Counsel and Company Secretary.

The committee meets fortnightly.

Sourcing and Product Operations

Our ethical compliance team report to our Director of Responsible Sourcing & Product Operations. We are also building our International sourcing team.

Garment and Textile Workers Trust

The Board recently established The Garment and Textile Workers Trust, including a pledge of £1m to support the work of the Trust in the first 3 years.

The Trust will address some of the immediate and future needs of workers within the local garment industry, many of whom we acknowledge may have suffered harm as a result of long-standing challenges within our sector.

The Trust's founding mission will be to create positive and lasting change for the benefit of the wider industry – providing guidance, advocacy, and remedy to anyone working in the garment industry in Leicester, regardless of if they work for one of boohoo's suppliers or not.

In its first year, we envisage that the Trust will be grant-giving: complementing rather than competing with existing charity, community, and NGO initiatives in Leicester. As we grow and develop, we will look to expand on our remit and deliver a more comprehensive package of services for garment workers in the city. This could include community initiatives, such as outreach workers and educational opportunities, such as scholarships.

The founding Trustees are: Tim Nelson CEO of Hope for Justice, David Lindley QPM D.L, Cllr Luis Fonseca, Allison Tripney Head of Community at LCFC and Cheryl Chung Head of Corporate Affairs at the boohoo group.

The Trustees are keen to gain insight into the social and economic issues that exist in Leicester and have commissioned academics from Nottingham Universities, Rights Lab to lead a piece of research. The research will create a body of evidence that will inform the scope of the Trust and help to identify where it can best provide resources. Therefore facilitating the greatest long-lasting impact possible (directly and via grant giving).

Leicester Centre of Excellence Manufacturing Facility

In June 2020, the Group finalised the purchase of a site to establish a manufacturing facility in Leicester. The site on Thurmaston Lane will be a world-class garment production facility for the Group.

The site is taking shape and we are aiming to open in Q4 2021. The purpose of this facility is to produce garments made using more sustainable materials for our group of brands, demonstrating our commitment to UK manufacturing, an opportunity to share operational best practice with all of our UK suppliers. As part of Agenda for Change the site will be used to practically educate the buying and merchandising teams.

We have recruited the factory Operations and Human Resources management team who previously worked for local Leicester businesses.

The team have commenced the advertisement and recruitment programme for approximately 170 local workers. It is our intention to provide stable and sustainable employment for the workers and support their training and up-skilling.

Colleagues will receive above the national living wage pay, 33 days paid annual leave, and everyone will have access to the boohoo employee benefits package which includes free shares and private medical cover.

We are working with local community groups, charities, and NGOs to offer some of these roles to people who have previously been victims of exploitation or who are looking for a job with career prospects.

The Group is also working with all education providers across Leicester to understand how our local presence can support their students.



Raw material sourcing

Alongside strengthening our compliance process at manufacturing sites we are also reviewing our material sourcing strategy. The starting point has been to analyse our material usage. Polyester is the main fibre we use across our brands, but cotton is also an important part of our material mix.

In 2020 the very severe allegations of human rights abuses and persecution of the Uyghur minority in the Xinjiang Province of China were highlighted. We took part in the Government's BEIS Committee evidence session into this issue to share our insights and approach.

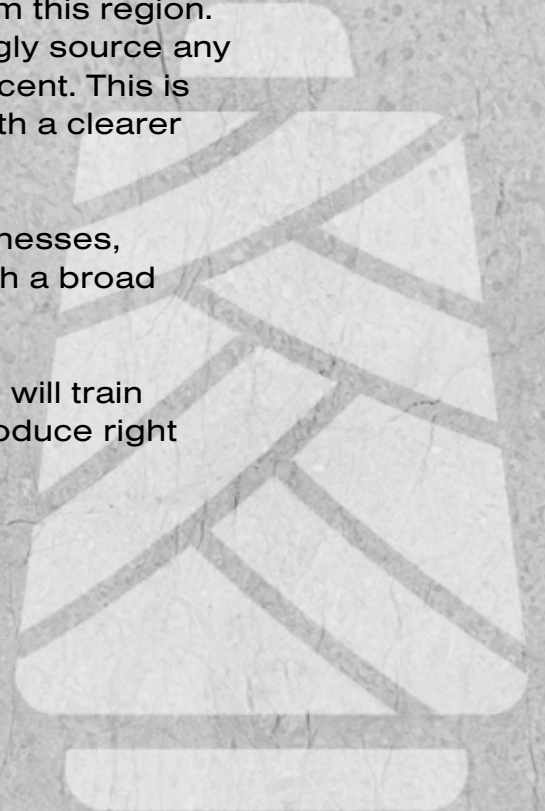
There are challenges inherent in mapping global supply chains across the fashion and textile industry and cotton is particularly challenging given how the crop is often blended with inputs from many different regions.

We have communicated to all our suppliers that we will not accept products that originate from this region. We do not believe that we directly engage with any factories in this region and do not knowingly source any fabric from this region. However, we understand the scale of the problem and are not complacent. This is why we are undertaking a programme of work to update our records which will provide us with a clearer picture of where our goods are being made.

The historic issues associated with the garment and textile industry cannot be solved by businesses, individuals, Governments or NGOs alone. This is why we have been actively collaborating with a broad range of stakeholders to drive long term meaningful and measurable change.

We are working with CottonConnect and one of our strategic suppliers based in Pakistan. We will train 2,500 farmers in more sustainable cotton farming methods, and then track the cotton they produce right through our supply chain, from farm to garment.

It is our intention that this cotton will be used within our group garments by the end Q1 2022.



Our own operations

We employ approximately 5,542* people in the boohoo family. Our human resources team oversee our HR policies, processes and procedures. The majority of our people are based in our head offices in Manchester or in our distribution centre in Burnley.

We have a comprehensive set of HR policies to protect our people's employment rights and support their learning, development and welfare. To enable and encourage employees to speak up about unethical issues in the workplace, we have launched a new employee whistleblowing platform 'Integrity Line'.

Integrity Line is a comprehensive and confidential reporting tool to assist management and employees to work together to address fraud, abuse and other unethical issues in the workplace, all while cultivating a positive work environment. The aim is to foster a culture of integrity and ethical decision making to protect employees and the company. Employees can file a confidential and anonymous report via either the telephone or Internet, safe in the knowledge that they are protected when making a disclosure and will not suffer any detriment when doing so.

Goods and services not for resale

As a business we work with third party suppliers to provide goods and services that we use as opposed to those that we sell to our customers. This covers everything from agency staff who work with us in our offices and distribution centres to suppliers of our office equipment.

Our procurement team oversee the process by which we select the right suppliers to work with in terms of what they provide and how they will provide it. Ensuring they follow strong ethical standards and practices is an important part of this work and is incorporated into our contract terms.

We are continuing our mapping of high risk suppliers and are incorporating them into our due diligence and auditing programme with our third party auditing partners.

Our distribution centres

Our distribution centres are located at Burnley, Wellingborough, and Daventry. We also have a site at Sheffield, which is operated by third party logistics company, Clipper Logistics PLC, and provides services for our PLT brand.

Burnley, Wellingborough and Daventry

Our operations teams are central to our success as a business and we invest heavily in our sites and our people. Through our 'your voice' forums colleagues can raise concerns and ideas with the senior teams. We now recruit directly and opened our Wellingborough site with over 500 permanent colleagues. We are also committed to offering temporary workers permanent roles where we can with over 1200 temporary colleagues achieving permanent roles in 2021 alone.

We are working on a comprehensive Diversity and Inclusion Strategy and supported this with training in partnership with inclusive employers. We offer a wide range of different training programmes and opportunities. For example over 200 of our colleagues in Burnley successfully completed a 12-week English course.

With respect to modern slavery awareness and training specifically, the agencies that we work with have comprehensive programmes in place and we are incorporating additional information into our site inductions and awareness posters. At the Group every manager completes a modern slavery online course with a supplementary training session offered to senior managers through GLAA.

Sheffield

Our partners Clipper publish a detailed Modern Slavery Statement online. The agencies that recruit for our Sheffield DC undergo full ethical audits and hold GLAA licenses and are audited periodically by the GLAA. The HR team at Clipper have reviewed the recruitment process through a modern slavery lens to identify and remedy any concerns and line managers receive dedicated training. They also have a confidential helpline.



Forward Look

2020/21 has been a period of significant challenge for the Group. We have set out our commitment to driving improvements in worker welfare through our supply chains and set out our roadmap for how we plan to deliver on this.

Over the coming year we will:

- Continue with our enhanced UK supplier monitoring programme.
- Conduct forensic reviews of UK Suppliers to ensure business operations are compliant with local legislation.
- Roll out the collaborative Fast Forward auditing methodology approach for UK manufacturing.
- Continue our international supply chain mapping and auditing programme in partnership with an expert third party auditing company.
- Publish our Global manufacturing list by end September 2021 (UK manufacturing list published March 2021).
- Apply to join the Ethical Trading Initiative (ETI) in 2021.
- Launch our manufacturing centre of excellence in Leicester.
- Establish our responsible purchasing practices throughout the business, supported by a mandatory training programme.
- Launch a new supplier portal.

- Build our UK and international supplier compliance team.
- Embed our new governance structure to ensure that supply chain compliance is monitored and assessed at the highest decision making level of the business.
- Continue to proactively and regularly update a broad range of stakeholders including Government, local MPs, local government, NGOs and many other interested parties.

Useful links

[LINK AGENDA FOR CHANGE](#)

[LINK SIR BRIAN LEVESON QC REPORT TO THE BOARD](#)

[LINK TO SIR BRIAN LEVESON'S 2ND REPORT TO BOARD](#)

[LINK TO SIR BRIAN LEVESON'S 3RD REPORT TO BOARD](#)

[LINK ALISON LEVITT REPORT](#)

[LINK TO UK MANUFACTURING LIST](#)

[LINK TO MODERN SLAVERY STATEMENT PUBLISHED FEBRUARY 2021](#)