



boohoo

MODERN SLAVERY STATEMENT

AUGUST 2018

Human trafficking, forced labour, debt bondage and child slavery are issues of increasing concern both in the UK and globally. At boohoo, we are guided by our values of passion, agility, creativity and teamwork. We pride ourselves on our inclusive culture and team spirit and we believe in running our operations in a fair and sustainable way.

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. We have a zero tolerance approach to modern slavery. We are committed to acting ethically and with integrity and transparency and we accept that we have a responsibility to implement sufficient systems and controls to safeguard against any form of modern slavery and to protect the rights of workers.

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps we have taken and are continuing to take to ensure that modern slavery is prevented in our business operations and supply chains. This statement relates to the financial year ending 28 February 2018 and sets out our commitment to reducing and eliminating the risk of Modern Slavery in our supply chain for our business in 2018 and the future.

We Are Us

boohoo group is a leading online fashion retail group. Our brands, boohoo, boohooMAN, PrettyLittleThing and Nasty Gal, design, source, market and sell clothing, shoes, accessories and beauty products targeted at 16-30 year old consumers.

The speed and agility of boohoo group ensures it is first to market with the latest on-trend styles and fashion. Products are designed, sourced, and subsequently distributed globally from warehouses in the North of England. We sell products to customers in almost every country in the world, with a strong presence in the UK, US, Europe and Australia.

GOVERNANCE & RESPONSIBILITY

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.

Overall responsibility for implementing sufficient systems and controls to safeguard against any form of modern slavery sits with our group Joint CEOs.

In relation to the stock supply chain, the Joint CEOs are supported by our Merchandising Director and in-house Sourcing and Compliance team who are responsible for ensuring suppliers are compliant with law and regulations. boohoo group's Sourcing and Compliance team work closely with other in-house compliance functions, including the internal audit, legal and company secretariat teams. Boohoo has worked with an external auditor with a view to improve the processes and procedures of the relevant in-house compliance functions.

In the last year, we have appointed a Head of Internal Audit who has a direct reporting line into the board's Audit Committee and provides a sourcing and compliance update at each Audit Committee meeting which occurs three times annually.

Our HR teams are responsible for employee welfare across boohoo group. We continue to look at ways to improve our employment offering and the benefits we provide our colleagues. We have made significant investment in upgrading the on-site facilities at the Burnley Distribution Centre, which is home to around 1,100 permanent colleagues and in the region of 1,200 temporary workers.

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

AT PRESENT





SUPPLY CHAIN

Our supply chain includes stock for re-sale on the website in addition to non-stock items and services which support the operation of the company.

SUPPLY CHAIN - *stock*

boohoo group recognises that it has a responsibility to ensure that all products it sells are produced under acceptable conditions and in an ethical manner.

We have a demanding set of procedures and policies in place to which all stock suppliers must adhere. boohoo (and the other brands in the boohoo group) are SEDEX members and its suppliers are required to undertake a SMETA (SEDEX Members Ethical Trade Audit) to assess the quality of their operations, and this is supplemented by regular, unannounced audits by the Sourcing and Compliance team.

Where the audit process identifies that improvements can be made to the quality of the supplier's operations, the supplier is graded by the auditor. The issues, together with the proposed improvements, are recorded in a Corrective Action Plan Report (CAPR). Once the CAPR has been filed, we work with the supplier to provide support to effect the necessary changes and improvements recorded in the CAPR. Before the CAPR can be closed, the supplier is required to submit supporting evidence to the Sourcing and Compliance team, which will be confirmed via an unannounced audit visit. Working with our suppliers to help them address issues within their operations is important to us; we recognise that some issues can't be solved overnight, but with our guidance, our suppliers can implement gradual and sustainable changes, and together, we can contribute to improving operations for the industry as a whole.

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 the Procurement Team, supported by the legal and finance teams. The Procurement Team ensure that all significant new non-stock suppliers complete the new 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.

SUPPLIER MANUAL AND CODE OF CONDUCT

Employment is freely chosen

There must be no forced, bonded or involuntary prison labour. Workers should be free to leave their employer after a reasonable notice period.

Child labour shall not be used

Suppliers must not use child labour and have sufficient policies in place in relation to slavery and human trafficking.

No harsh or inhumane treatment is allowed

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment, verbal abuse, or other forms of intimidation shall be prohibited.

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.

Living wages must be paid

Wages and benefits for a standard working week must meet the minimum, national legal standards or industry benchmark standards, whichever is higher.

There should be no discrimination in the work place

Discrimination on the basis of race, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation is prohibited.

Regular employment must be provided

To every extent possible, work performed must be on the basis of a recognised employment relationship established through national law and practice.

Working conditions must be safe and hygienic

A safe and hygienic working environment must be provided, bearing in mind prevailing knowledge of the industry and

of any specific hazards. Adequate steps shall be taken to prevent accidents and injury occurring in the course of work. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

Working hours must not be excessive

Working hours must comply with national laws and benchmark industry standards, whichever affords greater protection.

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 Soohoo 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.

Freedom of association & 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 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.
- That 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.

We encourage our suppliers to attend the annual supplier conference. This supplier conference provides us with a platform to share key issues with our suppliers, including compliance issues, product issues and any other areas of concern. These have been held in the UK (in Manchester and in Leicester) and also in China, and specifically address modern slavery and the importance of supply chain transparency.

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.



OUR ASSESSMENT OF RISK AND STEPS TAKEN



We recognise that our supply chain is complex and goes beyond the ‘first tier’. The supply chain additionally includes 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. We have now developed a second tier subcontractor database as part of our drive to increasing transparency within our supply chain.
- Developed our own supplier auditing system, including unannounced visits, to ensure first and second tier suppliers are following regulations and acting in accordance with our code of conduct.
- Appointed a Head of Internal Audit whose role includes assessment of the process we use to audit our supply chain and the resources required to improve and implement best practice;
- All suppliers are now periodically asked to confirm the source of their materials and are subject to unannounced visits to verify manufacturing is from an approved source.
- Working with suppliers to ensure minimum wage compliance and transparency and this is an ongoing process.
- Developed a capacity report to utilise production capacity and flag supplier capacity issues across boohoo group, which highlights the risk of suppliers seeking unapproved sources to support their operation.
- Reduced the number of suppliers in our supply base to allow greater focus on our key suppliers.
- Worked with Leicester Council and the government Head of the Vulnerable Workers Team since November 2017, highlighting the health and safety issues and risks to those vulnerable workers in buildings not considered fit for purpose and at a 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.
- Updated and developed the supplier portal to provide links and information for suppliers, employers and employees regarding free workshops, courses including English and numeracy and available grants.
- Developed a HR pack for suppliers so they and their employees understand workers’ rights and legislation thereby reducing the risk of non-compliance.
- Published an external whistleblowing policy on the CSR section of our website; this allows suppliers, their employees or any third party to confidentially contact us to raise concerns about supplier activities.

THIRD PARTY ASSESSMENT: OUTCOMES

We recognise that there is always room for improvement, which is why last year we worked with a third-party supplier who conducted an independent assessment on our supply chain policies and procedures.

Using the recommendations from the process, we will continue to work towards our goal to implement best-practice in supply chain transparency, improving and refining our own policies as well as working with suppliers to support them to make their own improvements.

We have subsequently developed our own in-house audit process which is in addition to SMETA audits conducted on a regular 12-18 months basis through our chosen third party testing houses.



TRAINING



All employees most directly involved in the boohoo group's supply chain operations have been trained on the dangers of modern slavery and human trafficking and how to recognise warning signals. This includes employees in the Buying, Product and Sourcing and Compliance teams. The content of the training has been enhanced and updated and the employees receive refresher training on an annual basis.

In addition, all new starters are trained during their induction week so they have an awareness of modern slavery and human trafficking.

CEO STATEMENT

At boohoo group 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. We're working hard to try and get it right. When we do, we celebrate; when we don't we learn from it and try again.

We have invested in our people, who have introduced improved practices and processes to drive a programme of sustainable change and improvement.

The business model demands an agile and versatile supply base so that we can deliver the right products at the right time and made to the right quality. And we believe that there's a strong link between ethical trade and commercial success – not just for us but also for our suppliers.

We recognise that some issues can't be solved overnight, but believe that gradual, sustainable change is a goal we can achieve.

boohoo group Modern Slavery Statement was approved on behalf of the boohoo group plc Board of Directors and signed by Mahmud Kamani and Carol Kane, Joint CEO's on 31 August 2018.

