

MODERN SLAVERY STATEMENT

OCTOBER 2019

OUR COMMITMENT

At White Stuff our ethical sourcing policy is based on two principles: traceability of production processes throughout our supply chain and transparency of working conditions. We want to know where our products are made and that the workers making them are safe and know their rights.

We acknowledge that there is a high risk that modern slavery exists in our supply chain.

We continue to publish our **Modern Slavery statements** in October each year to demonstrate our work.

This year, we asked the NGO International Justice Mission who do a lot of work in this area to critique our statement, and we have applied a number of their recommendations.

We are ambitious and want to monitor the working conditions in every tier of our supply chain from farmers to factory workers. We know that, to do this, we need to collaborate with our suppliers, other organisations and specialists on the ground. We are building on our work year-on-year with our Ethical Sourcing & Product Sustainability team, driving the work and governance being provided by our CSR committee.

This statement outlines the work we have carried out in our full financial year ending 30th April 2019 and has been approved by the board of directors.



Jo Jenkins – CEO, White Stuff Ltd
October 2019

OUR ORGANISATIONAL STRUCTURE, OUR BUSINESS & OUR SUPPLY CHAIN

Established in 1985 and privately owned by our original founders, White Stuff Group Limited is a UK-based multi-channel fashion and lifestyle brand recognised as a leader in sociable retailing. White Stuff Group Limited includes the main UK trading company, White Stuff Limited, and White Stuff (Germany) GmbH, the German trading company. Our turnover for our full year to end April 2019 was £147 million.

We have:

- 125 shops in the United Kingdom
- 27 UK concessions
- 11 international concessions
- 8 shops in Germany
- 883 UK and Ireland wholesale & international wholesale accounts
- our websites (whitestuff.com & whitestuff.de)

White Stuff employs 1,745 people across our UK and international shops, concessions, our Leicester distribution centre and the London Head Office. We have 80 direct product suppliers and 400 active non-product suppliers, including recruitment agencies, logistics and shop fitting services. Our Ethical Sourcing team is based at our London office where they work closely with our product teams and our direct suppliers, enabling them to carry out their work effectively.

We do not have any production sites of our own. Our product is categorised as clothing, accessories, footwear

and home & gifting. Across all areas, we have a total of 82 suppliers who manufacture in 132 factories across 12 countries at first-tier level. Over 80% of our production is manufactured in four countries: India, China, Bangladesh and Cambodia. Our suppliers are chosen because of their skills and good ethical credentials, each having signed up to our Code of Conduct. Our Code has clauses which are relevant to the legislation including no forced labour or child labour. Our own trained auditors audit all new clothing, accessories and footwear factories before we bring the supplier onboard and then audit on an annual basis.

GEOGRAPHY OF OUR FIRST-TIER FACTORIES:

Supplier Country	Number of factories	Supplier Country	Number of factories
Bangladesh	7	Philippines	1
Cambodia	3	Portugal	11
China	47	Tunisia	2
India	36	Turkey	12
Italy	1	United Kingdom	4
Nepal	3	Vietnam	5

OUR SUPPLY CHAIN DEFINITIONS AND LEVEL OF KNOWLEDGE AND VISIBILITY OF OUR OWN BRAND SUPPLY CHAIN:

	First Tier	Second Tier	Third Tier	Fourth Tier
Description	Factory that supplies direct to White Stuff.	Supplier of components or processes to First tier factory.	Supplier of components or processes to Second tier factory.	Raw material suppliers
Processes	Cutting Sewing Knitting Packing	Laundry Garment dye Hand embellishment Fabric Mills Fabric printers	Yarn processing Ginning Spinning Dyeing	Farmers Man-made fibre producer
Mapping Status	Full visibility. Working conditions checked regularly with improvements implemented.	Partial visibility. Working conditions starting to be checked and improvements being implemented.	Starting to map.	Started to map through our sustainable cotton programme.

We don't buy raw materials as our suppliers do this on our behalf. As a result, and through our work mapping our secondary tiers, we have found an additional six countries in our supply chain bringing the total to 18 countries. The six countries are Egypt, Pakistan, Thailand, Spain, the Netherlands and South Korea. This mapping has illustrated the complexity of apparel and textile supply chains, extending across multiple countries. Understanding and identifying secondary tier production sites is a vital step in modern slavery risk mitigation. Further down the supply chain, informal labour is more prevalent, which can exacerbate the likelihood of modern slavery.

This year, the Ethical Sourcing team took on the responsibility for Product Sustainability. The decision to do so was to increase the visibility of the lower tiers. Raw material

production, particularly agriculture, is an area with many practices that can lead to a higher risk for modern slavery occurring. Workers have fewer enforced protections, employment contracts are not as commonly used and worker movement, due to seasonal labour, can lead to a heightened risk of modern slavery.

We have made a commitment to use only sustainably sourced cotton in our products by 2024. While sustainability does not necessarily affect the risk of modern slavery, the programmes we have selected help to increase visibility of our supply chain further down the tiers. Our partnership with Fairtrade allows us to independently verify that farmers are paid a fair price for their cotton. It allows us traceability to the co-operatives from which we have sourced.

OUR POLICIES RELATING TO SLAVERY AND HUMAN TRAFFICKING

Our internal policies are designed to educate and enable people to put **our values** into practice. Our own business policies relating to modern slavery are:

- the Anti Bribery and Corruption policy
- the Equal Opportunities policy
- the Whistle Blowing policy
- the Ethical Sourcing **Code of Conduct**

Our policies explicitly state that offences under the 'modern slavery' term are against the White Stuff ways of working. It also outlines a clearly defined procedure for our workers to follow if they witness any suspicious activity. In addition, this year, we have initiated an anonymous online feedback portal which allows all colleagues to post comments, feedback and

complaints in total anonymity with questions and answers published. This mechanism, as well as regular listening groups with our CEO and People Director, are now a permanent fixture and both have led to an increased culture of transparency.

Our supply chain policies that outline our standards are:

- the Auditing Manual
- Supply Chain Commitment Policy

This year, our directors endorsed a supply chain commitment policy, which has a focus on worker empowerment. This commitment will drive our work to detect where human rights are not being effectively realised, which will include minimising the risk of modern slavery.

OUR DUE DILIGENCE PROCESS

We follow the United Nations Guiding Principles (UNGPs) to risk assess our supply base annually. We also conduct a full risk assessment process if a new country of origin is proposed by our product teams.

A key part to the UNGPs is for businesses to support the State in protecting human rights and we also act to provide remediation where we need to do so. We do this through our membership of the ETI. The ETI secretariat and its

members are dedicated to advocacy and regularly provide submissions to governments to influence policy on behalf of workers. We fully support and engage with this work.

We will only allow production to commence in factories that have been through our on-boarding process and show their commitment to our ethical sourcing policies.

Carrying out the due diligence process has enabled us to identify the key risks in our supply chain countries which in turn helps us focus our work.

Risk assessed	Specific risk in our supply chain identified	What we are doing	Next steps
Refugee Labour	Undocumented refugee labour in Turkey	Unannounced audits and training our product teams, auditors and suppliers. Develop our refugee remediation policy.	Continue audit programme and refresher awareness training. Training of new suppliers on remediation & policy.
Child Labour & Bonded Labour	The practice of 'sumangali', in mills, Tamil Nadu, India Child labour used in cotton fields in India	Education of our own team through our ETI membership Visibility of cotton farms through our sustainably sourced cotton commitment	Continue first-tier accreditation programme in India Visit Fairtrade farms in India, open discussion on risks
Informal Labour	Increased number of workers without contracts in secondary tier factories in India	Continuing our first-tier accreditation programme in India	Share success of our Indian accreditation programme with suppliers in Turkey
Migrant Labour	Migrants promised jobs that aren't as described, debt bondage for recruitment and travel costs. Migrant workers not understanding their rights & lack of access to support in India, Cambodia, China & Turkey	Keep informed through ETI membership and collaboration	Raise our suppliers' awareness of grievance mechanisms
Agency / Contract Labour	Job insecurity can leave workers vulnerable. Agency practices can sometimes not be transparent with risks of debt bondage. Highest risk China, India, Turkey and UK	Continue to detect through ethical audits	Training of risks in our first-tier accreditation programme

ETHICAL SOURCING UPDATE FOR THE YEAR

We have not found any incidents of modern slavery to date. This does not mean that it doesn't occur in our supply chain. The work our auditors do during an audit is to identify non-compliances against our Code of Conduct and conduct a root cause analysis in partnership with our suppliers. An audit is a snapshot study of a factory in time. We look at identifying areas of weak or ineffective processes which could increase the probability of modern slavery. We discuss all audits with our suppliers to agree an action plan and to identify if there is any additional need for support or training for management. We use audits as a way of capacity building and sharing best practice.

We can share work done this year in several of our sourcing countries. Knowledge and trust are vital in eliminating modern slavery. Our programmes allow us to build our suppliers' capacity and as a business to be aware of issues that can lead to modern slavery. The outcomes of our programmes are to develop improved working environments where modern slavery is less likely, and instances of concern can be easily reported and escalated.

China:

Good Work Places: Developing and Improving Access to Effective Worker Voice and Representation

We have, this year, continued our engagement with ETI/ILO SCORE Programme. This minimises the likelihood of modern slavery by providing a channel for remedy and potential whistleblowing as well as increasing the management's capacity to support worker issues. Please see [here](#) for further details of the programme.

We have also championed a pilot and are ready to offer training to more of our suppliers in the Guangdong Province on the Collective Consultation Regulation. This allows workers to organise themselves and enables them to have equal and open discussions with the factory management.

Both ILO SCORE and our China Collective Consultation Training Programme are ready to be rolled out to other suppliers where we hope there will be interest.

India:

We have identified our clothing sourcing in India as the product category and region where we can make the biggest impact. We also identified India as having the highest multiple risks: high prevalence of modern slavery due to movement of workers between states, a risk for agency fees and bonded labour and limited or ineffective legal enforcement in these areas. This will continue to be a focus for our work going forward.

First-Tier Accreditation Programme

This year we launched our First-Tier Accreditation Programme in India. We developed training materials and a one-week programme was successfully delivered for 12 Supplier Auditors (SA's). By building capacity of our first-tier suppliers they can effectively check conditions and facilitate improvements for workers further down the supply chain in Printers, Dyers and Mills. The training session included classroom lessons, case studies and field work over a five-and-a-half-day period. The SA's have been given ongoing support followed by individual assessment by our Audit Manager in India. We developed a SA Training manual which includes a module on Modern Slavery risks.

Turkey:

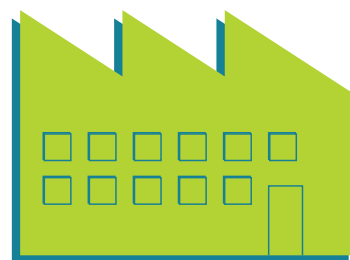
We engaged our Turkish suppliers in 2017 to deliver training on modern slavery and the realities of refugee experiences in factories. We want to build on our relationships with our suppliers. We are discussing a collaborative engagement with our suppliers where we apply the approach and lessons learnt from the successful first-tier accreditation programme in India.

OUR EFFECTIVENESS

As previously stated, we have not found any incidents of modern slavery to date.

However, to ensure we progress, we set ourselves a set of KPIs in our 2018 statement and can report that in the past year, we have:

- successfully mapped **535** secondary tier suppliers
- gained visibility of **18** manufacturing countries in our supply chain
- conducted **12** audits at our secondary tier suppliers
- trained **12** suppliers' compliance team in White Stuff audit methodology
- improved conditions for **1,442** workers in our secondary tier factories
- detected **0** incidents of modern slavery
- improved **1** practice, based on our Better Buying results



TRAINING ABOUT SLAVERY AND HUMAN TRAFFICKING

We have an ongoing commitment to train our own people on modern slavery. Communication is a regular feature of our 'Family Gathering' meetings at our HQ in London and our DC in Leicester. These meetings are in addition to our Brand Vision inductions for new starters and as part of our product

team meetings. We share information for our teams on our internal intranet, The Tea Room. We also have accessible information about our activities on our website:

<https://www.whitestuff.com/doinggoodstuff/doinggoodstuff-our-suppliers/>

BUYING RESPONSIBLY

By improving our Company's Purchasing Practices, we can ensure what we do doesn't have a negative impact on workers in our supply chain. We have received four quarterly reports showing us where our suppliers feel we could make improvements in our purchasing practices. Our product teams have been shown the reports by the Ethical Sourcing

team and asked to discuss and identify potential barriers to improvement. External training, delivered by an industry expert and an ETI representative, was given to the teams and the heads of department. The training had a strong focus on the impacts of our buying decisions on workers and their working environment.

KEY ACTIONS COMPLETED

We have greater accuracy of transparency of our supply chain stakeholders by engaging with sustainable cotton programmes.

We have delivered training in our first-tier accreditation programme, upskilling our suppliers to check conditions further down the supply chain.

We are listening to our employees and suppliers. By engaging in listening groups, we will be able to review our own practices to ensure we ourselves are continually improving.



White Stuff®

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