

Boden

Modern Slavery Statement Jan 2018 – December 2018

As part of our continued commitment to ensuring ethical working conditions in our supply chain and operations, we fully support the legislation put in place for the prevention of modern slavery and human trafficking.

This includes:

UK legislation: Transparency in Supply Chains Provision (Section 54) of the Modern Slavery Act (2015)

USA California legislation: The California Transparency in Supply Chains Act SB657

Australia legislation: The Modern Slavery Act 2018 (Federal Act)

What is modern slavery? Modern slavery is when one person possesses or controls another person in such a way as to significantly deprive that person of their individual liberty, with the intention of exploiting that person through their use, profit, transfer or disposal.

Modern slavery is an overarching term used to describe its various forms:

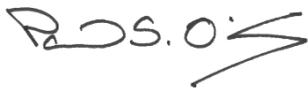
- **Human trafficking** - a process of bringing a person into a situation of exploitation through a series of actions, including deceptive recruitment and coercion.
- **Forced and compulsory labour** - any work or services which people are not doing voluntarily and which is exacted under a threat of some form of punishment
- **Bonded labour** - any work or services demanded as a means of repayment of a debt or a loan
- **Slavery** - a situation where a person exercises (perceived) power of ownership over another person.

Our 2019 statement sets out Boden's current activity and what plans we have in place to help tackle this issue both within our own supply chains and operations, and to support stakeholder and industry level activity to eradicate modern slavery

This is a long-term issue with no quick solutions. We recognise that our customers expect us to get this right so that they are confident when choosing Boden. We are committed continuously improving our practices to help support the eradication of Modern Slavery.

In 2020, we look forward to sharing our continued progress on this journey.

Signed by



Paul O'Leary

Chief Financial Officer, Boden

Date 1st March, 2019

OUR COMPANY AND SUPPLY CHAIN

Company

Boden is a British brand founded in 1991 with eight pieces of menswear on a kitchen table. Today the company employs over 1200 people across its London Head office locations, London (UK) stores, Leicester (UK), Pittston, PA (USA) and Boston, MA (USA). Boden began life as a mail-order business, and we are now a multi-channel brand, selling predominantly online as well as through catalogues, online, retail stores (currently three locations) and several wholesale partners.

Supply chain

In total, we work with 88 Suppliers, working with 155 first tier factories and employing over 68,000 people, producing diverse product lines from dresses to handbags to baby grows.

Boden designed products are sourced from the following countries (the number of factories within each country is in brackets: Cambodia (1), China (71), Hungary (1), India (21), Indonesia (1), Macedonia (2), Mauritius (1), Morocco (5), Philippines (2), Portugal (9), Romania (6), Spain (1), Sri Lanka (4), Tunisia (1), Turkey (14), United Kingdom (8) and Vietnam (9).

To manage the complexity of our garment and accessories supply chain we work closely with suppliers, building long-term relationships where we can, in order to support our focus on traceability of production, working conditions and quality.

PROCESS, POLICY AND DUE DILIGENCE

ETI and Our Responsible Sourcing Commitment

In 2008, we joined the Ethical Trade Initiative (ETI), to support the development of our programme and have the opportunity to work collaboratively to ensure better working conditions for workers across international supply chains.

The Ethical Trading Initiative base code is the foundation of our **Responsible Sourcing Commitment** (RSC), which we have had in place since 2008. Suppliers must commit to our principles of Responsible Sourcing as part of signing our terms and conditions.

Please see link to access this information: <http://www.boden.co.uk/en-gb/company-information/sustainability#Footer>

Modern slavery legislation takes the ETI base code provision of forced labour a step further to include the impacts of human trafficking.

Boden are now public signatories of the Responsible Sourcing Network's cotton pledge against forced labour in Uzbekistan and Turkmenistan. For more information about these pledges, please follow this link. <https://www.sourcingnetwork.org/the-cotton-pledge/>

As part of our regular reviews of our Responsible Sourcing Commitment, we will be developing a dedicated human rights policy supporting a more detailed approach on forced labour and human trafficking. We will be putting this together with inputs from the NGO community.

Our current policy specifically for young worker requirements, child labour prevention and remediation can be found in the appendix of our RSC.

Accountability and Governance

We have a formal escalation process in place if serious issues affecting working conditions are found within our supply chain. The escalation includes a briefing to the sourcing director and senior buying personnel with a proposed action plan for remediation with agreed timescales.

In September 2017, the compliance committee was set up to discuss all potential risks across different areas of the business. Happening quarterly, this meeting is attended by the CEO, CFO, directors and department heads from across the business including ethical trade. The agenda includes an update from issues discussed in the previous session and any new concerns that have arisen from current risk assessments are addressed in this meeting and actions agreed. Modern slavery risks are one of the areas we report progress on during this meeting.

Implementation

To support the implementation of our policies and processes, we have a dedicated ethical trade team based in our London head office. In 2018, we have continued to grow our ethical trade team with additional headcount to support our progress.

We share information about our ethical trade programme on the Sustainability section of our website, including our Responsible Sourcing Commitment.

Please see link to access this information: <http://www.boden.co.uk/en-gb/company-information/sustainability#Footer>

ASSESSING RISKS

Ongoing risk assessments

We know there is a higher risk of modern slavery in conditions where there is; migrant labour, significant presence of refugees, contract/agency/temporary staff, outsourced recruitment processes, young workers and risk of child labour.

To this effect, we regularly risk assess our supply chain based on the known or potential presence of the above indicators in the countries we are sourcing production from. We use a variety of tools to gather risk data including internal knowledge and expertise, commissioned country risk reports, local expertise and NGO research from the region and our own research from credible and independent publically available tools.

We have listed some of the publically available tools we use to help us below:

- NGO Reports from Oxfam and Anti- Slavery
- Trafficking in person report (TIP) US State Dept. 2018 <https://www.state.gov/j/tip/rls/tiprpt/2018/>
- List of Goods produced by Forced and Child labour US State Dept.2018 <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>
- Walkfree Foundation <https://www.walkfreefoundation.org>
- Verité <https://www.verite.org/>
- UN Human Rights Index
- ILO (International Labour Organisation) <https://www.ilo.org/global/lang--en/index.htm>
- Anti-Slavery International <https://www.antislavery.org>

Where needed, we engage specialist expertise on the ground to support more in depth assessments where country/ sector risk factors demonstrate a higher potential risk of modern slavery.

When considering a supplier in a new sourcing country we will conduct enhanced due diligence assessments as part of the induction process, with a particular focus on worker interviews to understand working conditions and worker representation at the facility.

Salient risks

Where we have risk assessed on a global supply chain level we have prioritised the countries where we identified a higher risk of human rights/ modern slavery related issues occurring. Creating sustainable long-term improvement in working practices through collaboration with NGO's, Trade Unions and other brands and retailers is essential to addressing human rights issues and exploitative practices. Where there is opportunity, we collaborate with other brands and retailers either through ETI or as separate partnerships to mitigate the risk in these areas.

We have focused on the following countries due to the level of assessed risk.

Turkey

We identified Turkey as a high-risk country due to the Syrian refugee crisis, where millions of Syrian's have fled Syria into Turkey. Although an increasing number of Syrian workers are officially registered to work in the apparel industry, there is a significant number of undocumented workers that are at risk of potential exploitation. This is particularly the case for young

workers and female workers. This is an industry level risk across Turkey and so we wanted to work collaboratively where possible to address this as well as take action within our own supply chains to ensure decent working conditions for all workers employed.

We were the first brand to sign up and commit funding to the ETI tripartite Turkey platform jointly funded by the UK Foreign and Commonwealth office. Representatives from our suppliers and factories in Turkey took part in a tripartite working forum in Istanbul to raise supplier's awareness, and gain their support in tackling these industry level issues. It is essential that all stakeholders are part of the process and remediation work. Our suppliers also participate in the Verité (<http://www.verite.org/About-Us>) research conducted as part of the initial development of the programme.

The key focus of this work is developing social dialogue in production sites; ensuring all workers have access to effective worker representation, whether that is through worker representative committees or trade union representatives.

We have one site currently working through the programme, with their approach commended by the project team on the level of commitment demonstrated and the transformative impact that the worker representatives have had. The programme is now being streamlined based on results of the participating factories so far and we will be working with the ETI Turkey working group to enrol more factories into this programme in 2019/20.

We are also engaged in a collaboration with a fellow ETI apparel brand member on a Better Workplaces programme, focused on improving communication between management and workers, building capacity of the management and human resources teams, developing management capabilities in tackling workplace issues, and worker rights awareness training.

At the time of the initial training and engagement in summer 2018, workers were given comprehensive surveys to fill out so they could reflect on all aspects of working at the factory. This gave us invaluable insight into some of the issues workers were facing every day, especially relating to supervisor behaviour and we have been able to work with the factory management directly to make considerable changes to improve the daily experience of workers. Our focus at the time of this statement is to support the factories' continued progress and to work on sustaining this new approach to worker management in the long term.

Outside of these collaborations, we have also been working with experts on the ground to further support worker representation in our Turkish supply chain. Delivering training to the existing worker representatives to ensure that the committee is an effective mechanism to represent workers' views and to ensure that the worker committee attracts female representatives for election for a more balanced representation of the workforce.

India

In 2011, Anti-Slavery International identified issues of modern slavery concerning the Sumangali scheme in Tamil Nadu in Southern India. These schemes have been predominantly found at the raw materials processing level of production where leverage can be limited and monitoring challenging.

http://www.antislavery.org/wp-content/uploads/2017/01/1_slavery_on_the_high_street_june_2012_final.pdf

To tackle these industry level issues we have been part of a multi-stakeholder initiative Tamil Nadu Multi-Stakeholder (TNMS) Nalam programme with ETI and selected ETI and non-ETI brands with three work streams:

- Community engagement and awareness
- Legislative lobbying and reform
- Training at the mill level to empower the young female workers affected by this scheme

We currently have one mill in the training scheme with plans to extend to further mills in our supply chain.

Mauritius

Mauritius as a potential risk for issues relating to bonded labour due to excessive recruitment fees that migrant workers, particularly from Bangladesh, may have had to pay.

Recognising this as an issue affecting several of its members across apparel and other industries sourcing there, the ETI set up what is now the Migrant Labour Working Group. We joined this group so we could work with others to address and tackle these issues collectively and come up with joint plans of action that take a multi-stakeholder approach.

Since joining, we have:

- 1) Signed a joint letter to the Labour Minister of Mauritius in 2018, which was an MOU for joint action in remediating these challenges within this supply chain. In February 2018, we attended the multi-stakeholder event in Mauritius to further these discussions. In January 2019, we have reaffirmed our commitment as a signatory to the ETI's follow up letter to the Mauritian Labour Ministry.
- 2) Updated our Responsible Sourcing Commitment to include the Employer Pays Principle,

“No worker should pay for a job - the costs of recruitment should be borne not by the worker but by the employer.”

Please find more information about this principle on the Institute for Human Rights and Business website:

<https://www.ihrb.org/employerpays/the-employer-pays-principle>

- 3) Commissioned FWC to deliver a tailored assessment in January 2019 focusing on worker interviews on and offsite, to gain an understanding of both their recruitment experience and whether their work and conditions were as expected. We have also advised FWC to review the Freedom of Association mechanisms currently available to workers and to include worker representatives currently in place throughout the process.

We will share an update on the findings and actions taken in our next statement.

UK

We recognise that risk is not limited to our global operations and modern slavery is very much present in the UK. We therefore take time to realistically understand our local risks and take necessary actions. Our area of highest risk is our Leicester warehouse. There, we employ temporary staff to support during peaks in workload. We work exclusively with Encore Personnel to recruit these employees.

Encore Personnel are both licensed labour providers under the Gangmaster Licensing Act (2004) and of the Association of Labour Providers. They have also signed up to the principles of the multi-stakeholder initiative, Stronger Together, aiming to reduce modern slavery. For information about the Stronger Together initiative, please follow the link -

<http://stronger2gether.org/>

Encore Personnel's modern slavery statement and reporting mechanism links are also available below:

<https://www.encorepersonnel.co.uk/report-hidden-worker-exploitation-in-the-uk/>

<https://www.encorepersonnel.co.uk/wp-content/uploads/2019/01/slavery-and-human-trafficking-statement-upadated.pdf>

To further mitigate risks, we have put several measures in place to drive awareness of this issue within the workforce at Boden's warehouse. Modern slavery awareness is included in the induction training all workers at the warehouse go through before starting work on the warehouse floor. The site also has Stronger Together posters and materials posted in prominent places. These are in multiple languages and give several options for workers to be able to communicate an issue including Boden's own whistleblowing contact email.

TRANSPARENCY & TRACEABILITY

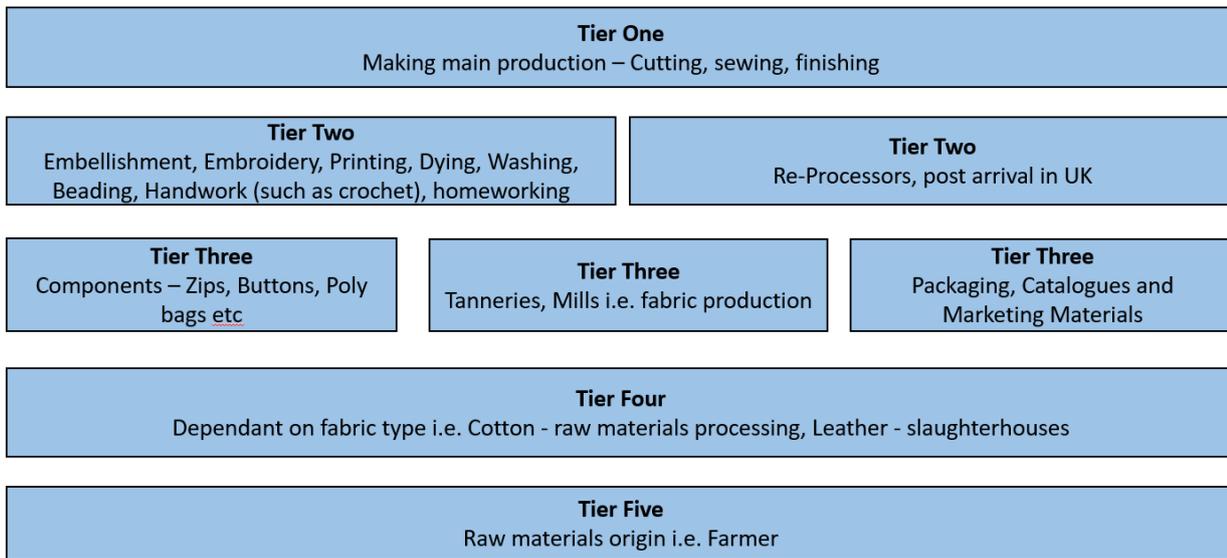
In May 2018, we published our first tier factory list as part of our focus on transparency and with a commitment to update this list every six months. In the latest published list, in December 2018, we included type of product and gender breakdown at factory level. This list is on the Sustainability section of our website. <http://www.boden.co.uk/en-gb/company-information/sustainability#Footer>

The first tier of production (where the main processes for making the product happens) is only part of the story.

Understanding the extent of our supply chain risks means tracing the supply chain of our products as far as we can and understanding not only where the risks of modern slavery and trafficking could exist, but other potential salient human rights risks.

To support this, we gather as much detail about factory operations as we can. This includes understanding where all parts of the production process are happening. We are continuing to map and gather data on the second and third tiers and have a plan in place to map our wider supply chain.

We define our supply chain tiers as below:



To get a much stronger picture of the supply chain through all of our tiers, in late 2018, we invested in the Sourcemap tool to assist with our mapping and risk assessments across our supply chain. We will be sharing results of some of that work in our next statement.

In 2019 our focus will extend into product not for resale, this will include mapping the supply chains for areas including catalogues, labelling and packaging and taking the next steps of risk mapping and action planning.

MONITORING

First-Tier

All factories producing Boden products are subject to ethical trade assessments through semi-announced audits, delivered by independent third parties with the majority happening annually. Audits must cover the ETI base code principles and local law requirements.

Where possible we share audits to reduce audit duplication. Our membership of Sedex is supporting this approach as it helps to limit the number of audits a site undertakes each year and therefore focus resource on improving working conditions.

Beyond Monitoring

For us, although monitoring is important, listening to and offering workers the opportunity to have their views heard is the most important aspect of the audit process. To this end, we have piloted different kinds of audits over the years to gather more information and feedback from workers; including FWC (Fair Working Conditions) audits that were used to benchmark conditions in factories in key sourcing countries. FWC assessments include an opportunity for workers to vote on how they feel about conditions and provides an anonymous hotline to report anything of concern confidentially.

For more information about FWC and their approach, please follow this link: <http://www.fwc8.org/>

When serious issues are found we take a comprehensive approach, working with local expertise and NGO's on the ground who support the factory and the workers through the remediation and improvement process.

During an FWC audit in Morocco, issues of verbal abuse at supervisor level were reported through worker interviews. We contacted a local NGO, Partner Africa who have significant experience in helping remediate workplace issues such as these. Their focus began with general awareness raising of workers' rights within the factory, building on this throughout the programme with training for the management team and the workforce, including a focus on worker- management communication. Partner Africa developed a peer educator system on site; a group of workers were empowered to deliver training for new recruits, supporting the long-term impact of the rights awareness-raising programme.

This work resulted in the elections for a workers committee to improve communications between all levels at the factory and for the workers to enable change in their working conditions. We followed up the training with both short (three month) and long-term (one-year) impact assessments to review progress over time, focusing on worker survey results and anecdotal data from the workforce. The management team developed new ways of working where the committee worked on improvement plans for the factory and resulting KPI's showed significant change in the workforces attitude towards management ability to address their concerns with a 60% improvement on this specific KPI.

We also seek new and innovative ways to enable workers to communicate with us at other times throughout the year. For example, we are using worker surveys in training sessions and sponsoring access to hotline services where they can anonymously feedback about their concerns and issues. In China, we used mobile worker survey tools in collaboration with Good World Solutions and in Turkey we trialled a similar system through Labor Voices.

Workers were surveyed on a variety of topics including wellbeing, awareness of their factory worker representation options and their effectiveness, general concerns, impact of training they or the factory management have received, relationships with their supervisors/management and health and safety.

Please see link the links below for more details on how these survey programmes work:

<http://goodworldsolutions.org/#home-section>

<https://www.laborvoices.com/>

Furthermore, in Turkey, where we are running several training and engagement programmes we are tackling worker survey feedback received relating to issues on overtime. We have engaged local ethical trade expertise, Ethica, to work with the factory on understanding root causes of the issues and agreeing to collective solutions to improve the situation for workers.

Assessing conditions further down the supply chain

We have been informally visiting and assessing some of our second and third-tier production units and we continue to seek ways we can formalise these assessments and work collaboratively with suppliers and other brands on both assessments and improvement actions for workers at these next levels.

CASCADING KNOWLEDGE

Building knowledge in our business

Our Ethical Trade team build their knowledge in this area through external training, conferences and events, including ETI modern slavery and human rights training.

We also have our own internal training and awareness-raising programme that provides regular opportunities for learning for everyone in our business.

- Bite size Ethical Trade session - where new starters get a briefing on their induction day and a chance for Q and A
- Introduction to Ethical Trade - a monthly two hour internal training session compulsory for all new staff joining Boden
- Product Academy: Ethical Trade - a day session that provides the opportunity to learn and discuss in more depth as part of a wider programme of learning for delegates

Topics include the role of the Ethical Trading Initiative, ETI base code clauses and related working conditions, understanding a supply chain and the impacts business decisions can have, specific country risks and their root causes, modern slavery and human trafficking, stakeholders and their role in progress and the move towards a human rights impact based approach. We also run regular training sessions covering the same curriculum for our staff in our warehouses in both the UK and USA.

Cascading information down our supply chain

We have been tackling suppliers individually to raise awareness on modern slavery, as well as planning tailored sessions for larger groups. We are working on collaborative opportunities to run practical training sessions in country. We will report on our progress on this next year.

To reach our wider supply chain, our supplier manual has a section on modern slavery to support suppliers understanding of this topic. This document includes links to the Anti-Slavery International website’s resources and recommended steps suppliers should take to prevent these issues at factory level.

There is also a section clarifying our position relating to well-known issues related to both forced labour and child labour issues in both Uzbekistan and Turkmenistan cotton production. Suppliers must not knowingly source cotton from these locations.

Monitoring progress

We are tracking progress and reporting through the following mechanisms:

- Quarterly compliance committee meeting - updates on activities and progress are shared and further actions put in place where needed.
- ETI annual reporting - every year we provide the ETI with a report detailing all of our ethical trade related activities for the year. Our progress is assessed and benchmarked against the ETI’s principles of implementation by a joint ETI review team, which includes an NGO representative. In 2018, the NGO reviewer was CARE International. Prior to submission, the report is reviewed and signed off internally by both the department director and the CFO.

Please see the table below that reflects our progress on action taken and completed so far and activities that will continue to be ongoing as part of their nature (training etc.).

Actions and Progress 2017 and 2018	Not Started	In Progress	Ongoing	Completed
Establish modern slavery training in warehouse induction			✓	✓
Modern slavery awareness incorporated into compulsory Ethical Trade training for all Boden Head Office staff			✓	✓
Provide accessible (online) training to staff			✓	✓
Increase resource in UK team to support programme development				✓
Collaborate with brands, retailers and other stakeholders on industry wide solutions in countries with salient industry risk			✓	
Review policies to incorporate Employee Pays Principle in relation to recruitment fees				✓
Assess migrant workers conditions and recruitment experiences in new sourcing country Mauritius		✓		
Join Better Buying Initiative as part of a review of purchasing practices			✓	
Publish first tier factory list as part of our commitment to transparency with agreement to publish every six months				✓
Sign up to The Responsible Sourcing Network’s Turkmenistan and Uzbekistan Cotton Pledge				✓

NEXT STEPS

Over the coming year we will be focusing on the below activity:

- Extending our programme to incorporate the non-merchandise supply chain
- Increasing opportunities for access to ongoing supplier training on forced labour prevention
- Develop and publish Human Rights Policy
- Invest in tools to support traceability and mapping of our supply chain (all tiers)
- Continue to invest in programmes to increase workers access to representation
- Collaborate with brands, retailers and other stakeholders on industry wide solutions in countries with salient industry risk

We will report on our progress in 2020, along with our findings from our work in Mauritius.