

THE BOOHOO GROUP

Modern Slavery Statement

February 2021

boohoo boohooMAN PRETTYLITTLETHING *NASTY GAL* MISSPAP

coast KAREN MILLEN [WAREHOUSE] OASIS

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Overview

This is the boohoo group's modern slavery statement for the financial years 2019 and 2020 up to and including November 2020. It covers our own operations and product supply chains for all of our Group brands.

We have extended the timeframe of this statement beyond a 12 month period and published it later than our previous years' statements. This is so that we can include details of how we have responded to the Covid-19 crisis and the steps we have taken to improve the labour standards in our Leicester supply base.

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, and collaborating with others from the industry, authorities and NGOs to tackle poor practices and protect those people who are most vulnerable.

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Foreword

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“As CEO of the boohoo group since the beginning of 2019, I have been overwhelmed by the commitment, dedication and pride that our people have in this business.

In 2020 we were faced with two major issues regarding worker welfare. The labour standards issues in garment factories in Leicester and health and safety concerns posed by the Covid-19 pandemic.

Garment workers are an important part of our success and we want to work with suppliers, policy makers, NGOs, workers and communities at large to make a positive change.

In this statement we provide details on the steps we have taken to protect workers in our business and the wider garment industry. What I want to affirm here is the commitment that we have to improving our governance, strengthening the oversight of our supply chains and implementing a more robust compliance process. As a fast growing international online retailer the improvements that we make and the standards that we set will strengthen the garment industry and improve conditions for workers in the UK and beyond.

We are driving long-lasting and meaningful change in our business that all stakeholders in the boohoo group will benefit from.”



John Lyttle
CEO, boohoo group
4th February 2021

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boohoo group

The boohoo group is a leading online retailer. Our business was established in 2006 and has grown rapidly. In the financial year 2019/20 our revenue was £1.235 billion up 44%. Profit was £92.2 million up 54%.

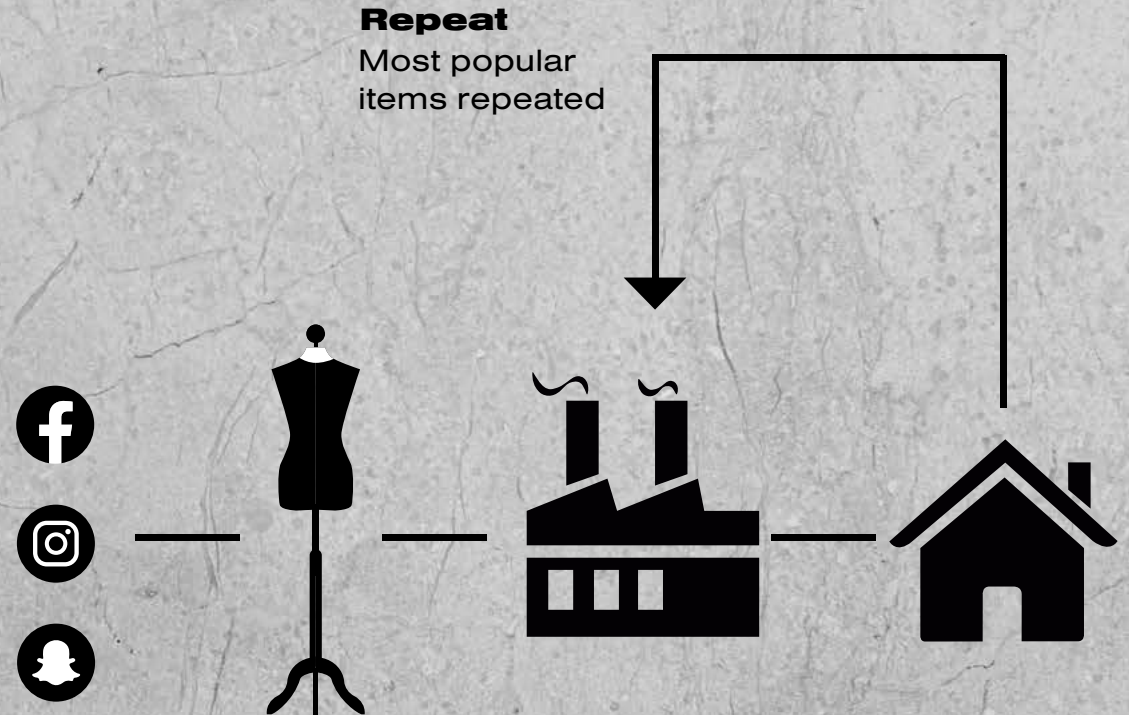
Our group of 9 brands design, source, market and sell clothing, shoes, accessories and beauty products targeted at 16 to 40 year-old consumers globally. We had 14 million active customers in 2019/20.

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 3,400 people directly across the group. We 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.

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.

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

A major focus of our work has been to improve the visibility of our UK supply base. We now have a more accurate picture of our Leicester supply chain in particular. We have started to consolidate our supply base to ensure we are working with those suppliers who share our values and standards.

We have embarked on a programme of work to get the same level of detail on our international supply base. We have committed to publishing our UK supply base by end March 2021 and our international supply base by end 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 Review of risk assessment, due diligence and actions taken

Review of product supply chain

In 2019 we started to strengthen our product supply chain due diligence programme to ensure that we:

- Are monitoring adherence with our Supplier Code of Conduct effectively
- Understand the key risks to workers and can respond to issues identified
- Are driving improvements through our supply chain.

As the UK is such an important sourcing market for us we started here. The first step was to gain greater visibility of the factories that our products are made in.

In February 2020 we signed an agreement with an expert auditing company and launched the programme of work in May 2020.

Following the very serious allegations of health and safety and wage concerns in the UK garment manufacturing industry in the summer of 2020 we accelerated this programme of work and commissioned an independent review by Ms Alison Levitt QC.

Our third party partner tailored their approach to a 'focused assessment audit' to address the most severe allegations raised, notably wages and health and safety. They carried out over 280 of these focused assessment audits between July and November in addition to 44 full ethical audits.

We engaged with NGOs, local government and national policy makers on the ground, sharing what we had identified through the assessments and our plans to drive improvements in the industry.

An independent review of our Leicester supply base

The scope of the review and report that we commissioned Alison Levitt QC and her team to carry out was to review:

- Allegations about working conditions and low pay
- Boohoo's supply chain monitoring in Leicester
- The Group's compliance with relevant laws

And make recommendations for the future.

We gave Ms Levitt and her team unrestricted access to our teams, our documentation and our supply base. We published her findings in full at the end of September 2020.

The report identified many failings in the Leicester supply chain. It concluded that the business had taken steps nearly a year previously; however it was clear that these didn't advance quickly enough. There were clear recommendations focused on improving corporate governance, compliance and monitoring processes.

The boohoo group has committed to implementing these recommendations in full and has published its Agenda for Change outlining the important initial steps. We have also appointed Sir Brian Leveson to oversee our delivery of this change throughout the business. KPMG will be supporting the business to monitor and manage the Agenda for Change.

“Confident that the adaptations which boohoo should make involve a relatively easily-achieved realignment of its priorities and governance systems.”

“It has already made a significant start on putting things right”

“If boohoo is willing to take a different approach to how it both views and interacts with the Leicester supply chain, it has within its power to be a tremendous force for good”

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

We have recruited a new Director of Responsible Sourcing, Head of Sourcing and Head of Ethical Compliance, who are responsible for this process and are building the sourcing, compliance and sustainability teams in Manchester, Leicester and in international sourcing hubs in Turkey, Italy and China.

Mapping our supply chain

Starting with our UK supply 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 started to consolidate our supply chain 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.

We have now started the process of mapping our global supply base. We will also bring on board new suppliers that have 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

By publishing Ms Levitt's report in full we have demonstrated our commitment to transparency. We will be publishing our UK supply base by end March 2021 and our international supply base by end September 2021.

Training

We have developed and rolled out Modern Slavery Training to hundreds of personnel in our buying teams to raise awareness and to advise them on how to respond if they have concerns. Key members of our buying and technical teams have completed the Sustainable Fashion Fundamentals course in Partnership with Common Objectives. Labour Standards is a mandatory module in this course.

Our strengthened governance process

Boohoo Group Board

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

Risk Committee

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

Supply Chain Committee

Chaired by CEO John Lyttle and including Directors of Responsible Sourcing & Sustainability, Heads of Compliance, Buying and Merchandising and Internal Audit. The Committee has met weekly since inception and will meet at least every month going forward.

Sourcing and Product Operations

Our ethical compliance team report to our Director of Responsible Sourcing. We have a new Head of Ethical Compliance and a new Head of sourcing. We also have a larger Group team.

Case Study

Leicester Centre of Excellence Manufacturing Facility

We have purchased a site in Leicester where we want to establish a manufacturing facility in partnership with one of our strategic suppliers.

We are currently going through planning permission for the facility which is due to launch in 2021. We hope that it will showcase how our products can be made legally, ethically and safely. We hope to create up to 100 jobs and offer a community hub to inspire new talent in the textile industry.

Our growing Leicester based ethical compliance team will also work from this facility.

Garment and Textile Workers Trust

One of the key commitments we have made as part of our Agenda for Change is to set up a Trust in Leicester which will be overseen and managed by an independent Board of Trustees. We will invest £1 million in this Trust and are currently recruiting for Trustees.

The Trust will be for all garment workers in the Leicester Community. It will provide access to grants and crisis funds for those in need and will champion workers' rights across the sector.

We hope that it will become a recognised and trusted source for anyone working in the industry providing clear and understandable guidance in multiple languages and signposting those who need it to independent support.

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 scheme of work to update our records and give us a clearer picture of where our goods are being made.

Achieving supply chain transparency is a significant undertaking that requires co-operation from a very large number of stakeholders. We want to work with the whole industry, with regulatory authorities and government on this important and very concerning issue.

Health and safety through Covid - 19

In 2020 one of the key challenges that we, and all other businesses, faced (and continue to face) is keeping people safe through the COVID - 19 pandemic.

As an online retailer we have been allowed to continue to trade, throughout the pandemic, but we have put in place stringent steps to protect our people. Those who can work from home transitioned to working from home as the government guidelines stated. We re-opened our offices in the summer with important steps taken around social distancing, cleaning, hand sanitisers and face coverings. We continued to pay our people full pay throughout.

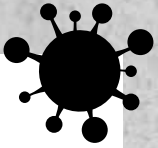
We made significant changes to our warehousing and distribution centres and the measures have been reviewed by local Environmental Health Officers. Local MPs, elected officials and other local stakeholders visited the site to assess the approach we were taking.

Our HR teams on site in our distribution centres have been focused on ensuring our people are comfortable coming to work, communicating rules and ensuring compliance.

To protect workers through our product supply chains we developed guidance based on our own experience of Covid. This was issued to our UK and international supply base.

Our ethical trade team took part in Covid monitoring and prevention training and supported suppliers to develop their own Covid management plans by developing a clear standard and carrying out training.

We then collected evidence on how the standards had been implemented which included assessments as part of the 3rd party auditing programme and followed up with corrective action plans.



Covid - 19 Supplier Standard

The standard that we developed to support and monitor our suppliers covered the following key areas. We ran webinar sessions for our suppliers and developed corrective actions plans where improvements could be made.

1. Policy & procedures
2. Risk assessment
3. Prevention and mitigation
4. Personal protective equipment
5. Line management
6. Toilet hygiene
7. Transportation of goods and materials
8. Commuting considerations
9. Visitor management
10. Vulnerable groups
11. Arrangement for suspected or confirmed Covid - 19 cases

Our own operations Risk Assessment, Due Diligence and Actions Taken

We employ approximately 3,400 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.

We have a whistleblowing policy and will launch an enhanced escalation procedure in the first quarter of 2021. We are introducing a robust reporting mechanism so that any concerns can be escalated effectively and efficiently and the worker in question can be protected.

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.

In 2020 we have started a process by which we map high risk suppliers and are incorporating them into our due diligence and auditing programme with our third party auditing partners.

Our distribution centres

We have two distribution centres (DCs). Our Burnley DC covers all our brands except for PrettyLittleThing which has a distribution centre in Sheffield. We operate the Burnley DC and the Sheffield DC is operated by third party logistics company, Clipper.

Burnley

The average length of service of our warehouse colleagues is over two and a half years and over 250 colleagues have been with us for over 5 years. Our team is central to our success as a business and we are investing heavily in our site and our people. We are committed to offering our agency workers permanent roles where we can with over 650 agency colleagues achieving permanent roles in 2020.

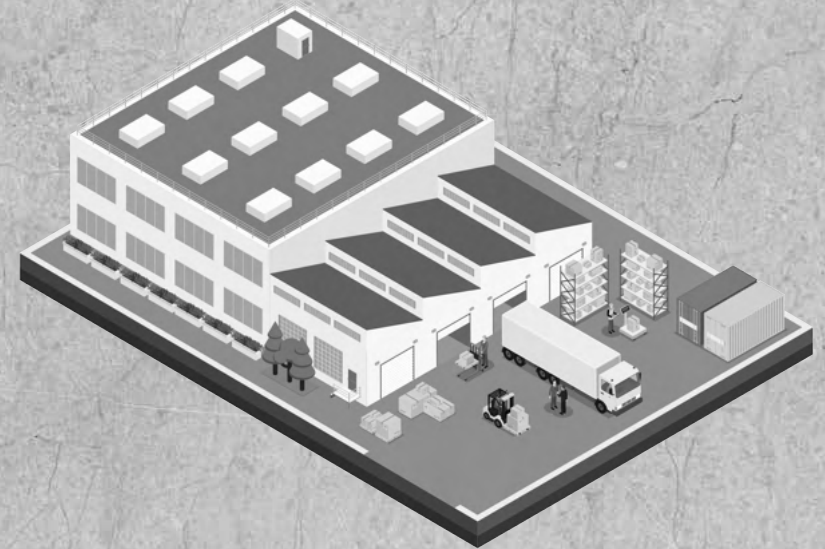
One key component of building a great workplace is ensuring that our people can speak freely and openly about any concerns or worries and, through our 'your voice' forum colleagues can raise their concerns and ideas with the senior team. We aim to create an environment of open and honest communication with everyone having the opportunity to have their say. We know that a motivated and engaged team of people in our warehouses is vital when building a great place to work.

We are committed to inclusion, diversity and providing opportunities for everyone. From our warehouse colleagues to our customer service teams, our success would not be possible without the hard work of our people, which is why it is so important we invest in and nurture them. We believe in developing a culture in which our people are treated with dignity and respect at all times. From our internal management development programme called Elevate to our warehouse colleague development and support such as our free ESOL training. Over 170 of our colleagues successfully completed a 12-week English course in 2020 with an additional 200 colleagues signed up for our online ESOL training in 2021.

With respect to modern slavery awareness and training specifically, the agencies that we partner with have comprehensive programmes in place and we incorporate additional information into our permanent colleague site inductions and display modern slavery awareness posters. We started 2021 by raising awareness with our key managers and teams by way of face to face training covering spotting the signs of modern slavery, our escalation process and taking action. We are working in partnership with the GLAA who provide the training and we continue to work collaboratively with Pan Lancashire Anti-Slavery Partnership network group.

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 GLA 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 has been a period of significant challenge for the boohoo 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 to roll out our enhanced UK supplier monitoring programme
- Carry out our international supply chain mapping and auditing programme in partnership with an expert third party auditing company
- Publish our UK supplier list by end March 2021 and International supplier list by end September 2021.
- Launch our manufacturing centre of excellence in Leicester
- Establish the Garment and Textile Workers Trust with respected independent Trustees and a £1 million donation

- Establish and publish our purchasing principles 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.

The appointment of Sir Brian Leveson and the management consultancy KPMG will ensure that we deliver the business change needed and embed new ways of working, monitoring and management throughout the business. We are committed to building a better garment industry in the UK for the benefit of all in the sector especially those producing the garments.

Useful links

[LINK AGENDA FOR CHANGE](#)

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

[LINK ALISON LEVITT REPORT](#)