



MODERN SLAVERY ACT STATEMENT

2017/18

Our Commitment

Warehouse is a boutique brand with long-standing business partners, including suppliers who manufacture overseas. We place high value on human rights of those working either for us directly or indirectly through our agents, factory base and third-party business partners.

Fundamental to our approach, we recognise that business can positively influence human rights and commit to use our leverage (where it may be needed) to prevent infringements of human rights. This is our second statement on Modern Slavery. The first can be accessed [here](#).

The Modern Slavery Act, introduced in 2015, requires companies to ensure there are no forms of modern slavery within their own operations or supply chain. The following statement sets out steps we have taken to ensure we comply with the Act.

We recognise that our customers expect Warehouse to be aware of and proactive about this issue so they can continue to confidently shop with us. We will strive to continuously review and improve the work we do in this area with a long-term approach.

I confirm that this Modern Slavery Act statement has been approved by the Board.

Signed by

A handwritten signature in black ink that reads "Liz Evans". The signature is written in a cursive style and is underlined.

Liz Evans

CEO, Warehouse

Our Core Supply Chain

Warehouse employs 1,093 people across our retail portfolio and head office. We operate through standalone stores, concessions, the Web and franchise partners.

Our supply base comprises approximately 52 suppliers that use approximately 99 factories, which are based in the following countries: China, Romania, Turkey, India, Vietnam, Egypt and Macedonia. As a business, Warehouse has long recognised the mutual benefits of longevity of supplier relationships. To illustrate this, of our top 10 suppliers, comprising approximately 75% of our production, 70% have worked with for us for over 10 years, and 50% have been partners for over 20 years.

Defining Modern Slavery

Our definition of Modern Slavery is derived from the UN Guiding Principles on Human Rights: *‘Modern Slavery involves one person depriving another of their liberty in order to exploit them for personal or commercial gain’.*

Our Policies in Relation to Modern Slavery

As a responsible retailer we continuously review our processes. To create sustainable change, we have a robust framework of policy development.

In 2018 we have revised our cotton policy. Previously, we had banned the raw material solely from Uzbekistan as there were widespread concerns about both forced adult and child labour in the harvesting of cotton. Turkmenistan is a neighbouring country, and, like Uzbekistan, its cotton sector is centrally planned by the state. Human Rights groups have reported that each year approximately tens of thousands of people, sometimes including children, are coerced into picking cotton and face harsh penalties if they refuse. This is classed as forced labour and is a form of modern slavery. We have therefore decided to extend our cotton ban to include Turkmenistan.

In relation to Uzbekistan, we note the International Labour Organisation’s (ILO) recent report, *Third-party monitoring of measures against child labour and forced labour during the 2017 cotton harvest in Uzbekistan*. The report claims there has been significant improvement in transparency and dialogue, especially by the state, and that child labour has been abolished. It says:

‘The picture emerging to the ILO monitors throughout the country was one of intensified efforts to ensure voluntary recruitment [of cotton pickers]. The monitoring and assessment confirms that the majority of cotton pickers engage voluntarily in the annual harvest. They have received wages, which have been increased this year in line with recommendations by the ILO and the World Bank. The monitoring confirms the positive relationship between decent wages and voluntary recruitment in cotton picking’.

We welcome these developments, especially in relation to the discontinuation of child labour. Of course, the ILO has not been able to confirm all labour is voluntary. In terms of our policy framework therefore, the ban will only be lifted by us when independent and credible reports verify that no forced labour is used in any stages of cotton production.

To strengthen our efforts this year we have also looked at and improved our procedures for enforcing our cotton policy. We consider due diligence needs to be more rigorous at the point when orders, including samples, are planned and placed with suppliers. Therefore, our Sourcing, Buying and Production teams will become more involved to ensure they do not unwittingly place orders which may use Uzbek or Turkmen cotton.

Policies:

• Warehouse's code of conduct

The cornerstone of our ethical trading strategy is our Code of Conduct. Adopted over 10 years ago, it is based on laws defined by the International Labour Organisation and prohibits forced and bonded labour.

• Warehouse's forced labour and human trafficking policy

Developed last year with the expertise of human rights specialists and NGO, Vérité this policy addresses the specific risks and vulnerabilities of domestic and migrant workers who may unwittingly find themselves in a situation of forced labour in their efforts to obtain work. The policy previously applied to our manufacturing partners but this year we are extending it to cover all business partners and non-trade suppliers, including our franchise, wholesale and licensing partners.

• Warehouse's cotton policy

As explained above, we have banned cotton from both Uzbekistan and Turkmenistan due to concerns about forced labour.

• Warehouse's anti-bribery policy

Applies to all employees, and in particular, managers and directors, as well as contractors, agents, suppliers and other third-parties. Warehouse is committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas.

• Warehouse's equal opportunities policy

This underpins respect for diversity within our organisation. Our employment policies and practices are intended to be fair and equitable in order that we build a culture that values openness, fairness and transparency.

• Whistle blowing policy

There is a formal whistle blowing procedure in place to report incidents where employees have reason to believe there is an apparent or possible violation of law or company policy including instances of modern slavery or human trafficking.

Understanding our Risks

Although we have long-standing relationships with our global supply chain we have identified this is the most at risk from exposure to human rights abuse. We continue to map our first-tier supply chain, building on the work of previous years. As reported last year, we are also starting to map our cotton supply chain beyond the first tier of production with the aim to achieve full transparency. This has disclosed that raw material comes from Turkey, China and India.

Our audit programme, which has been in place for a number of years, is a key measure of supplier compliance. The audit examines contract terms and personnel files, as well as wider procedures related to recruitment and termination of employment. In doing so, assessments can determine if there are practices that could constitute or lead to forced labour. We use a range of different tools, including internal audits in China performed by our ethical trading team, third-party assessments commissioned from a limited number of labour specialists and independent audits that are shared through the SEDEX platform.

All first-tier manufacturing sites have been audited with the vast majority audited every year. Local offices and regular visits from our head office teams ensure that communication is transparent.

Additionally, in 2017 we conducted a further due diligence exercise to gain an understanding of how our trade suppliers manage the potential for forced labour and human trafficking within their businesses. This looked at their policies, implementation, outsourcing and overall effectiveness.

This exercise is ongoing and in 2018 we are also widening our focus to include all non-trade suppliers, including our franchise, wholesale and licensing partners.

How is Modern Slavery Reported?

Quarterly meetings are held with the board of directors where recent activity is discussed and any necessary actions can be agreed.

Training and Capacity Building

At Warehouse we have an internal ethical team who work continuously with our suppliers and head office teams to equip them with the skills and knowledge to achieve ongoing progress.

Awareness training which references the policy has also been delivered to key employees in the business to help identify signs of modern slavery and human trafficking.