

UK MODERN SLAVERY ACT BESTSELLER STATEMENT 2016/17

The statement is published in accordance with the UK Modern Slavery Act 2015. BESTSELLER A/S has subsidiaries in the UK. The following outlines the steps taken in FY16/17 to prevent modern slavery and human trafficking in our value chain.



BESTSELLER

ORGANISATIONAL STRUCTURE AND SUPPLY CHAIN

With more than 20 fashion brands, BESTSELLER provides fashion clothing, footwear and accessories for women, men, teenagers and children. BESTSELLER brands and products are available online, in about 2,700 branded chain stores and 15,000 multi-brand and department stores across most of Europe, The Middle East, North America, Latin America, Australia and India.

BESTSELLER works with approx. 400 suppliers, manufacturing at approx. 800 factories in 27 countries across Asia and Europe. Through our Compliance Programme and Social Engagement Programme, we continuously work with suppliers to promote responsible working conditions and respect for human rights.

BESTSELLER has sourcing offices in the six main production countries, and in total, we have more than 30 colleagues assisting our suppliers in building capabilities to create long-term improvements at their factories.

BESTSELLER believes that a collaborative approach is imperative in order to create solutions to industry challenges. In light of this, we engage in multi-stakeholder initiatives and coalitions such as the Ethical Trading Initiative (ETI), Sustainable Apparel Coalition (SAC), the Better Cotton Initiative (BCI) and the Bangladesh Accord on Fire and Building Safety.

BESTSELLER HUMAN RIGHTS POLICIES

In our Code of Conduct, we require our suppliers and their sub-suppliers to promote respect for human rights and labour rights at production facilities. As a supplement to our Code of Conduct, we have specific policies and procedures, such as our Human Rights Policy, Child Labour Policy, Homeworking Policy and Migrant Worker Policy.

Our policies and initiatives are based on the 'UN Guiding Principles on Business and Human Rights' and key UN conventions such as the 'UN Universal Declaration of Human Rights', as well as ILO conventions and recommendations, including 'The International Labour Organization's Declaration on Fundamental Principles and Rights at Work'.

In accordance with our human rights policies, we continuously work to identify, prevent, mitigate and avoid causing or contributing to adverse impacts on human rights with regards to our own employees and in our business activities. If we become aware of adverse impacts in our own business activities, we work to mitigate and remediate such impacts. If we become aware of adverse impacts in business activities directly linked to us, we do our utmost to contribute to remediation.

DUE DILIGENCE AND ASSESMENT OF SUPPLIERS

Based on our policies and procedures, we conduct due diligence to promote human rights. This is an ongoing process, which builds on the insights that we get from audits and regular visits at the factories as well as industry collaborations and other stakeholder engagement. We believe that many issues should be solved for by taking a collaborative approach, and we engage with various external stakeholders, incl. trade unions, NGOs and peers to advance human rights principles in our supply chain.

All suppliers must be enrolled in our compliance programme and meet our compliance criteria. BESTSELLER compliance specialists and third-party auditors monitor suppliers prior to starting up new supplier relations and subsequently on a regular basis. Moreover, we support key suppliers in implementing efficient systems for making long-term improvements to promote better working conditions at the factories. Our aim is to enable a better collaboration between management and workers to promote workers' rights at the factories.

We believe in developing strong relationships with our suppliers as a common understanding and respect for one another makes it possible to develop our businesses in a sustainable manner. Therefore, we seek to incentivise suppliers who understand the value of and work towards making long-term sustainable improvements.

Through our due diligence processes, we have identified that our highest risk related to human rights is in the supply chain and hence our initiatives primarily focus on this part of our value chain. We have identified freedom of association, forced labour, discrimination and child labour to be the most salient issues.

KEY ACTIONS AND RESULTS IN 2016/17

- We continued to engage suppliers in Bangladesh in the Joint ETI Social Dialogue Project. The project seeks to e.g. strengthen workplace dialogue between workers and management to prevent worker unrest and empower workers to negotiate better working conditions.
- We partnered with the Danish Ethical Trading Initiative, the University of Aalborg and the Danish trade union 3F on a three-year project, MYPOD, which aims to increase productivity and improve working conditions and social dialogue in textile factories in Myanmar.
- We partnered with Aalborg University on the lean based programme called 'Productivity, Occupational Health & Safety (POHS) in Bangladesh, which also focuses on increased productivity and improved working conditions.
- We reconfirmed our commitment to promote higher building and fire safety in Bangladesh by signing the new Bangladesh Accord on Fire & Building Safety. The new accord builds on the experiences from the original accord and seeks to create long-term sustainable improvements by e.g. introducing safety committees and complaint


mechanisms as well as promoting the right to freedom of association.

- We signed an ETI letter to the Tamil Nadu government and emphasised that a clear and decent minimum wage should be set through consultation with relevant stakeholders.
- Through a joint ETI letter addressed to the Cambodian Prime Minister, we expressed our concerns regarding the Draft Minimum Wage Law and the Zero Draft on Labour Dispute Resolution as these did not fully meet ILO conventions on freedom of association, collective bargaining, the right to organise and wage fixing. The letter resulted in a meeting between ETI representatives, the Minister of Labour and ministry officials. An agreement was reached to adopt some of the amendments proposed by ETI and its members. While this was a step in the right direction, we recommend further action on freedom of association and collective bargaining as well as effective implementation.
- In cotton supply chains, we address the challenge of child labour and discrimination against women through our membership of the Better Cotton Initiative and by sourcing increasing amounts of Better Cotton.
- We continuously encourage our suppliers to participate in ETI courses on modern slavery with the aim of preparing suppliers for implementing good modern slavery due diligence practices in their daily operations.

Read more about our work to promote human rights and labour rights in our supply chain at our corporate website: <http://about.bestseller.com/sustainability/sustainability-in-bestseller>

Download our policies here: <http://about.bestseller.com/sustainability/policies-and-guidelines>

Signed by



Anders Holch Povlsen, owner and CEO of BESTSELLER A/S

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