

# **UK MODERN SLAVERY ACT BESTSELLER STATEMENT**

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The statement is published in accordance with the UK Modern Slavery Act 2015. BESTSELLER A/S has a subsidiary in the UK and the following outlines the steps taken in FY 17/18 (1 August 2017 to 31 July 2018) to prevent modern slavery and human trafficking in our value chain.

**BESTSELLER**

## BESTSELLER'S HUMAN RIGHTS POLICIES

It is essential to BESTSELLER that our business does not cause or contribute to adverse impacts on human rights and that our business partners respect human rights.

We continuously seek to identify, prevent, mitigate and avoid causing or contributing to adverse impacts on human rights including modern slavery with regards to our own employees and within our business activities. In the event that we do cause or contribute to adverse impacts on human rights, we will actively engage in remediation. Where adverse impacts happen in a business directly linked to us, we will strive to use our leverage to remedy the situation.

Respect for human rights involves all parts of our value chain, and we acknowledge that we can influence adverse impacts on human rights in all parts of our business, such as from how we act as an employer, to how we work with our suppliers.

We have identified our supply chain as the section of our business activities where human rights need a particular focus and hence we have various initiatives and programmes in this part of our value chain. We have identified freedom of association, forced labour, discrimination and child labour to be the most salient issues.

In our Code of Conduct and supporting human rights policies, we require our suppliers and their sub-suppliers to promote respect for human rights and labour rights. We have several policies addressing human rights and modern slavery, such as our overall Human Rights Policy, Illegal Workers Policy, Child Labour Policy and Homeworking Policy.

Read our policies here: <https://about.bestseller.com/sustainability/policies-guidelines/policies-and-guidelines-over-view>

BESTSELLER's policies and work with human rights are based in part on the 'UN Universal Declaration of Human Rights', the 'International Labour Organisation's Declaration on Fundamental Principles and Rights at Work' and the 'UN Guiding Principles on Business and Human Rights'.

We acknowledge our responsibility to respect human rights and prevent and mitigate modern slavery in our supply chain but understand our limitations as an individual company. Therefore, we work in collaboration with industry and external partners such as the Ethical Trading Initiative (ETI), The Sustainable Apparel Coalition (SAC), Action – Collaboration - Transformation (ACT) on Living Wages and the Better Cotton Initiative (BCI), to promote respect and support of human rights.

## ORGANIZATIONAL STRUCTURE AND SUPPLY CHAIN

BESTSELLER markets and sells fashion clothing and accessories for men, women, teens and children. BESTSELLER has offices and warehouses in 21 countries. The products are sold online, in approximately 2,700 chain stores and in 20,000 shop-in-shops and department stores across Europe, the Middle East, North and South America, Australia and India.

BESTSELLER owns no factories, but as of 31 July 2018, we were working with 433 suppliers and 788 factories in 26 countries – primarily in Asia and Europe. We have sourcing offices in six main production countries and more than 30 local colleagues in our sustainability teams.

As BESTSELLER doesn't own any factories, it is imperative for us to work with our partners in an open and honest way. We continuously seek to create more transparency in our supply chain to address risks and promote positive

change. In light of this, and to provide increased transparency, we are making supplier factory information publicly available.

The factory list includes the name, address, product type and number of workers of all on-boarded tier 1 manufacturing factories (cut-make-trim) of apparel, footwear and accessories.

The list will be updated twice a year. As changes occur in our supply chain with new partners, new factories onboarded, or factories being phased out, such updates will be included in the next update of the supplier factory list. Read the factory list here: <https://about.bestseller.com/media/2674/bestseller-factory-list-01-12-18.pdf>.

BESTSELLER works with suppliers that are willing to meet the commitments of BESTSELLER's Code of Conduct. In our Code of Conduct and supporting policies addressing human rights, we require our suppliers and their sub-suppliers to respect human rights and labour rights. Based on our Code of Conduct, policies and our social and labour minimum standards and programmes, we conduct due diligence in an effort to identify, prevent and mitigate adverse impacts on human rights including modern slavery and human trafficking. We work in close collaboration with our suppliers to drive sustainable development and respect for human rights.

In 2017/18, one of the greatest risks of adverse impacts on human rights was seen at national level in Cambodia and Myanmar.

Through BESTSELLER's membership of the Ethical Trading Initiative (ETI) in the UK, we have joined forces with major global competitors in the industry to influence the Cambodian Government to observe human rights and democracy in Cambodia. Moreover, we are taking an active role in ACT on Living Wages to positively influence the labour market parties to take preventive actions on labour rights and promote industry wide collective bargaining.

The same is true of Myanmar, which has received international criticism over the past year for its attempts at ethnic cleansing of the Muslim Rohingya minority. Together with the ETI, BESTSELLER has exerted pressure on the government, and is involved in dialogue with the Danish Embassy and EU representatives regarding the observance of human rights in the country. We have carried out a due diligence review investigating possible business links to the military regime through suppliers and factories we work with in Myanmar. The results showed no connections.

Follow-up from our local sourcing offices and sustainability teams is a key part of our efforts to prevent negative impacts on human rights and modern slavery in our supply chain.

Through our Compliance Programme, we conduct thorough human rights due diligence processes before we start working with new suppliers and factories. We are also working preventively with challenges we have identified as potential risks through our Social Engagement Programme.

### **Compliance Programme**

In 2017/18, BESTSELLER has shifted its focus to a dialogue-based approach to factory audits. We will seek to gradually phase out third-party audits and instead make greater use of factory visits by our own local colleagues, while increasing our requirements for self-audits by suppliers. We continuously work in close collaboration with our suppliers to drive sustainable development and respect for human rights.

Through BESTSELLER's membership of the Sustainable Apparel Coalition (SAC), we remain committed to the Social and Labour Convergence Project (SLCP) as a way of contributing to a common global factory evaluation tool for

the industry. Together with selected suppliers, we have participated in pilot tests in China, India, Myanmar, Bangladesh and Cambodia during the period.

As a signatory to the 'Bangladesh Accord for Fire and Building Safety', BESTSELLER remains actively involved in implementing improvements. Our suppliers' factories have achieved an average progress rate of 94% with follow-up visits and support from BESTSELLER's local sustainability team. We are maintaining a focus on introducing works councils and safety representatives, and BESTSELLER took part in developing a new agreement and were among the first ten brands to sign up to the new Transition Accord on 1 June 2018.

#### **Social Engagement Programme**

BESTSELLER focuses on preventing potential negative impacts on human rights by implementing global programmes for improvement. Through these programmes we work with key suppliers to support them in implementing efficient systems for making long-term improvements to promote better working conditions and workers' rights in factories.

BESTSELLER remained engaged in 'Women's Empowerment' in 2017/18 through the implementation of the HER-project at selected factories in Bangladesh. The aim is to improve women's health and knowledge of family planning, hygiene and disease prevention, nutrition etc.

BESTSELLER is also continuing to focus on productivity improvements and social dialogue through the implementation of the MYPOD project in Myanmar. BESTSELLER embarked on this three-year project together with the Danish Ethical Trading Initiative, Danish Union 3F, and the University of Aalborg. Factories in Myanmar have been visited by LEAN trainers and union representatives to improve working conditions, productivity and reduce employee turnover. A key aim is to contribute to sustainable development in the garment industry in Myanmar, with a focus on a better-informed workforce.

### **KEY ACTIONS AND RESULTS IN 2017/2018**

- Through BESTSELLER's membership of the Ethical Trading Initiative (ETI) in the UK, we have joined forces with major global competitors in the industry to influence the Cambodian Government to observe human rights and democracy in Cambodia.
- Through an active role in ACT on Living Wages, we try to positively influence the labour market parties to take preventive actions on labour rights and promote industry wide collective bargaining.
- Together with the ETI, BESTSELLER has exerted pressure on the Myanmar government, and is involved in dialogue with the Danish Embassy and EU representatives regarding the observance of human rights in the country. We have carried out a due diligence review investigating possible business links to the military regime through suppliers and factories we work with in Myanmar. The results showed no connections.
- Through BESTSELLER's membership of the Sustainable Apparel Coalition (SAC), we remain committed to the Social and Labour Convergence Project (SLCP) as a way of contributing to a common global factory evaluation tool for the industry. Together with selected suppliers, we have participated in pilot tests in China, India, Myanmar, Bangladesh and Cambodia during the period.

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- In cotton supply chains, we continuously address the challenge of child labour and discrimination against women through our membership of the Better Cotton Initiative (BCI) 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.

Signed January 2019, by

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

**BESTSELLER**