

OLIVER BONAS

MODERN
SLAVERY ACT
STATEMENT
2021

INTRODUCTION

Our company values are “Work Hard, Play Hard and Be Kind” and we aim to Be Kind in every aspect of our company life.

We strive to do business in a way that has integrity, is ethical and does not negatively impact others or the environment.

In 2015, the UK Government passed into law the Modern Slavery Act. In the last seven years, we have played our part and recognise we have a responsibility to prevent modern slavery and human trafficking throughout Oliver Bonas and in our supply chain.

This is our sixth MSA statement and was published in June 2022. This highlights the work we have undertaken to identify and eradicate modern slavery within our business over the previous financial year, January to December 2021. The global pandemic did impact some of our planned activity over this period but our commitment to this issue remains as strong as ever.

The statement was approved by the directors and leadership team at Oliver Bonas.

Signed

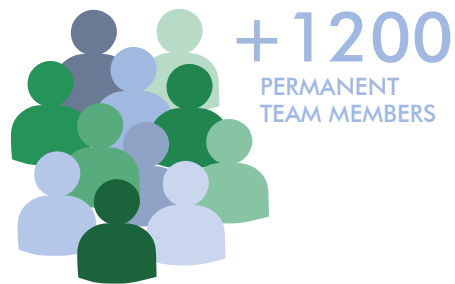


Oliver Tress, Founder & Managing Director,
Oliver Bonas Ltd, June 2022

BUSINESS & SUPPLY CHAIN OVERVIEW

Oliver Bonas is an independent British lifestyle store, which has grown from a single shop opened by our founder, Olly, in 1993 to a brand which designs a range of inspirational fashion and homeware, available in stores across the UK and Ireland and online.

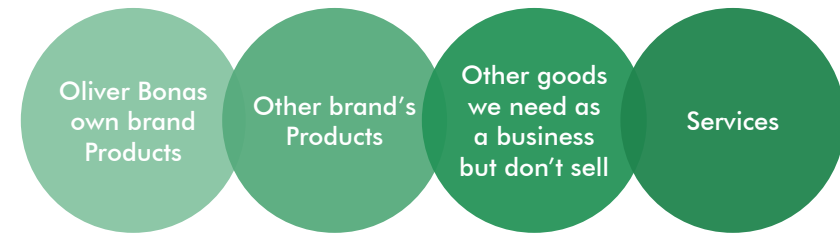
Oliver Bonas has evolved from Olly bringing back interesting pieces from his travels abroad as gifts for his friends and family, into an ever-expanding brand developed by a creative team of designers and buyers who incorporate Olly's exploratory spirit into our own fashion and homeware collections.



Olly is still at OB, but we now employ over 1200 permanent team members (employees). We are a growing privately owned independent company, with over 78 stores across the UK and Ireland and a successful website.

At Oliver Bonas, we are committed to sourcing the highest quality products from a range of countries with diverse cultures and economies. We value long-standing trusting relationships with our suppliers and commit to working in a transparent and open manner from the very start.

OUR SUPPLIERS FALL INTO FOUR CATEGORIES;



Our continued focus during 2021 has been on our own brand products. We are working much more closely with suppliers of these products on the design, materials and selection of factories. We therefore have the greatest level of control. Our own brand products made up 89% of our product range in 2021.



The pandemic has created many challenges for Oliver Bonas and for the whole retail sector. However, we have been grateful to our suppliers for the work we have done together to get through this difficult time. When many of our suppliers faced local and regional lockdowns, we worked collaboratively to support them, and their workers, as best we could.

OUR APPROACH & GOVERNANCE

We recognise that the Modern Slavery Act covers both our supply chain and our own business operations, so we have covered our approach to both in this statement.

Our ethical trade programme, which addresses modern slavery, is embedded in many different teams and departments at Oliver Bonas. Our Head of Ethical Sourcing and Sustainability oversees the governance of our ethical trade programme across all departments, including Ethical Trade, HR (People), Communications, Buying, Merchandising, Design, Technical and Quality Assurance.

The People Director is responsible for managing the risks for our own operations. Our Buying and Merchandising Director coordinates our efforts to tackle modern slavery across our supply chain. The Marketing and Communications Director has defined the structure of this statement and its contents. The whole leadership team have visibility of the ethical trade and modern slavery strategy and are responsible for signing-off this statement.

OUR OWN OPERATIONS

At Oliver Bonas we have high standards and expectations regarding the treatment of all our team members.

We believe that everyone should be paid a fair and decent wage, which reflects the true cost of living. We are confident that our current wage rates achieve this. We are grateful to the Government in the UK and Republic of Ireland for the high levels of support we received during lockdowns in 2021. The furlough schemes ensured that we were able to continue to employ almost all team members during the lockdown of 2021 and only made a very small number of redundancies.

We currently employ 1200 permanent team members. Due to the exceptional high demands of our online business in Q2 2021, we employed a further 350 temporary team members across our Customer Services, Warehouse and Web Fulfilment teams, 145 of whom were supplied through agencies. We recognise temporary labour as an area of increased risk and we therefore set high standards for our recruitment agencies.

In our direct operations, we have created a policy framework that supports team members to identify and remediate any possible cases of modern slavery. In our previous statements, we shared details of our recruitment policy and whistleblowing policy. Our policies are regularly reviewed to make sure they continue to be relevant.

RECRUITMENT PROCESSES

Our in-house recruitment team recruit directly for the majority of roles. The exception to this is during peak trading times, where agencies are used to support warehouse recruitment.

As part of the recruitment process, right to work checks are carried out and a copy taken, if employment is offered. Reference checks are conducted once a candidate has accepted the role and resigned from their previous employment.

Salaries are paid directly into bank accounts that are registered to the relevant team members. New team members must have a home address and authentic national insurance number.

When we do work with recruitment agencies, we ensure that we have a face-to-face meeting with them to discuss our values and the partnership. We worked with four recruitment agencies in 2021 and they all signed our Agency Commitment Agreement. This document includes a commitment from the agency to tackle modern slavery. The commitments are detailed in our 2016 MSA statement. All agencies are members of the REC (Recruitment and Employment Confederation).

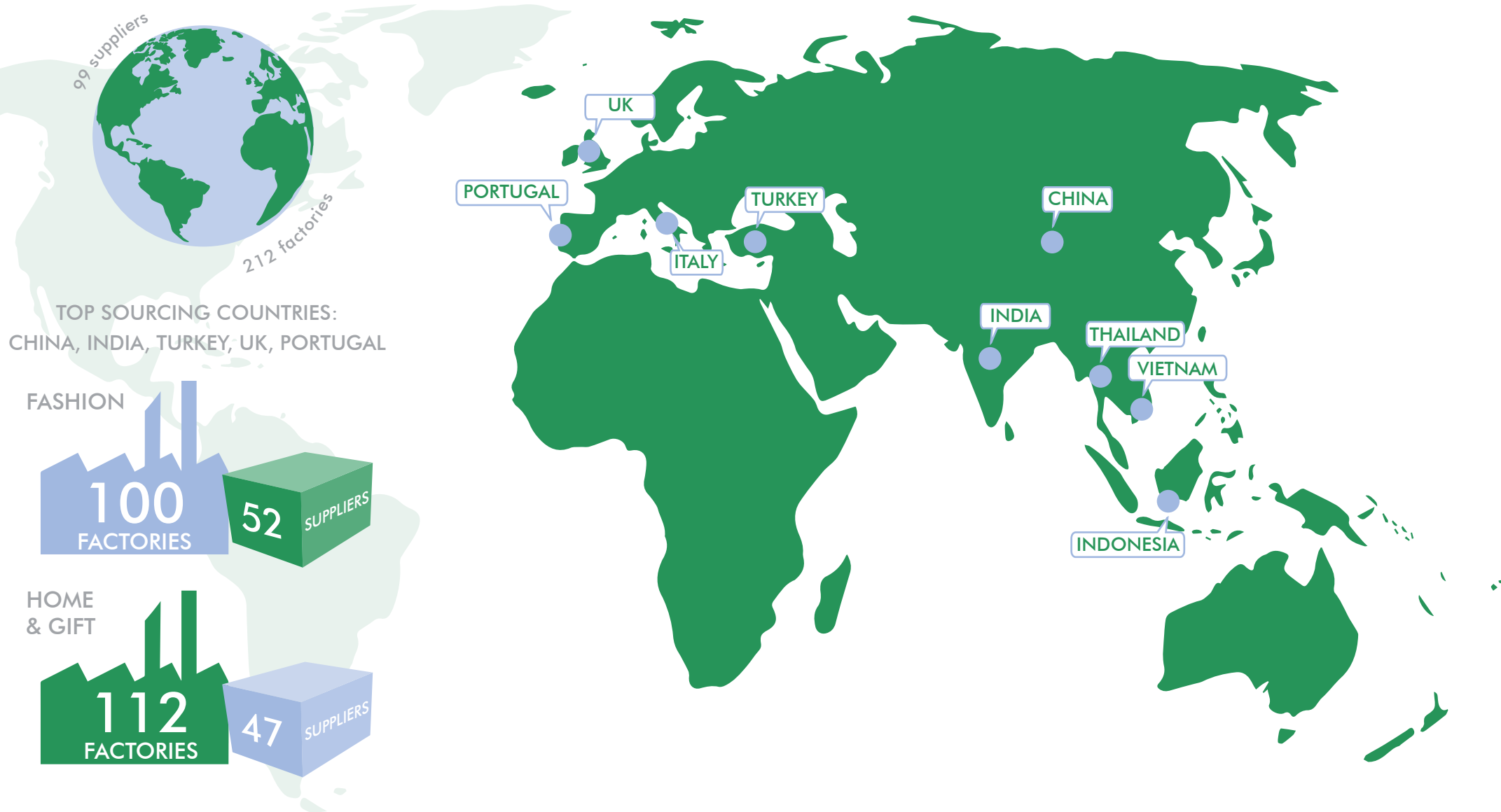
TRAINING

Our focus on our equality, diversity and inclusion strategy resulted in us delivering 'recruitment best practice' training via zoom to all of our store managers and a large proportion of hiring support office managers. In total 115 attended this course, 81 retail managers and 34 Support Office/Warehouse management team members.

OUR SUPPLY CHAIN

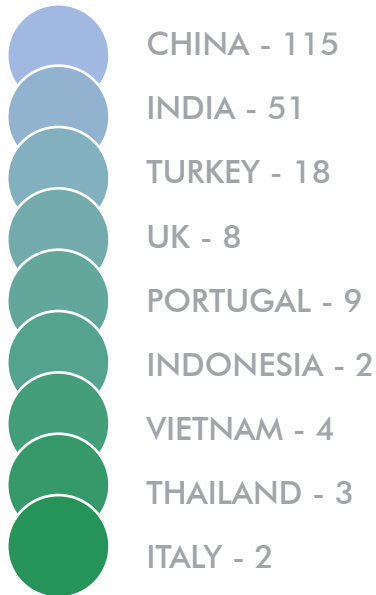
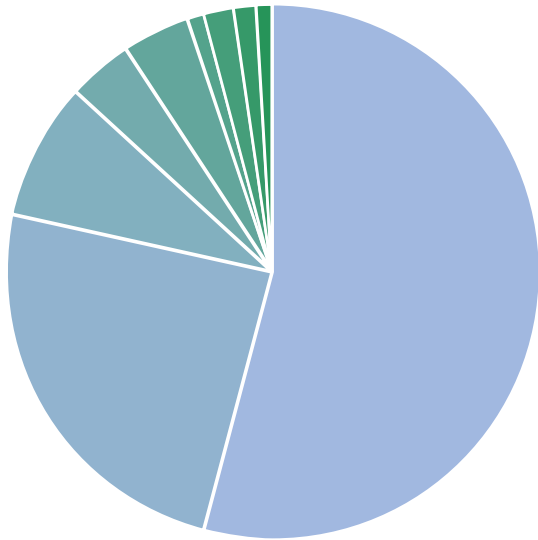
We had **99** suppliers in 2021, covering **212** factories across the world.

COMBINED SUPPLIER MAP



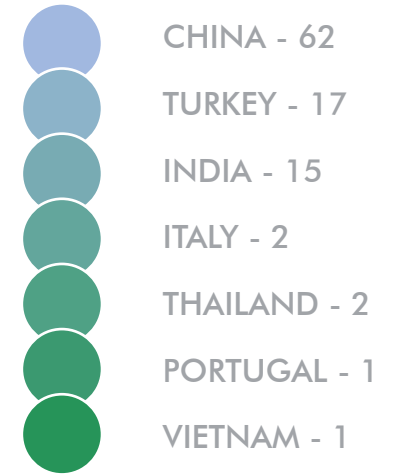
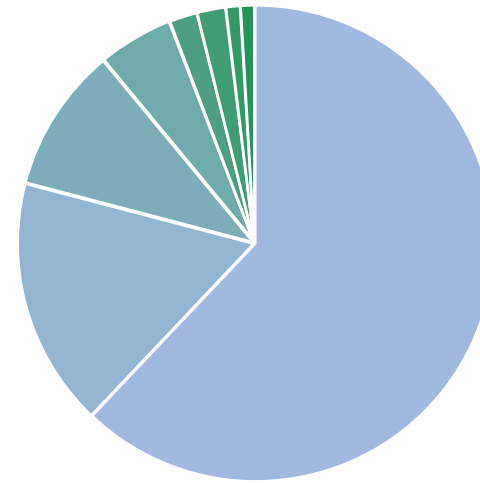
COMBINED COUNTRY DIVIDE

FACTORY DIVIDE



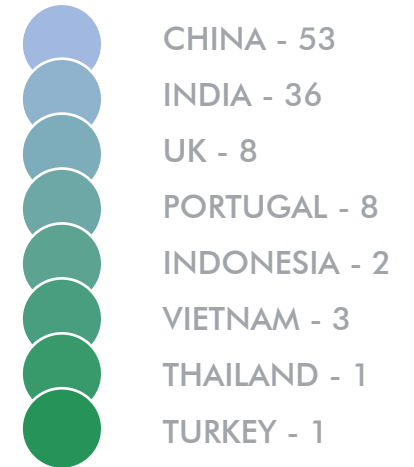
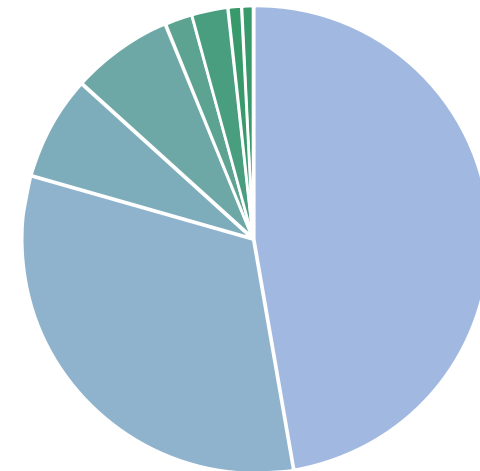
FASHION COUNTRY DIVIDE

FACTORY DIVIDE



HOME & GIFT COUNTRY DIVIDE

FACTORY DIVIDE



POLICY & RISK ASSESSMENT

Oliver Bonas is committed to respecting labour rights in our supply chain activities. Our Supplier Code of Conduct (Code) details the minimum standards we expect from any suppliers used to manufacture Oliver Bonas own brand products. Our Code is based on the ETI Base Code covering the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.

This code outlines workers' fundamental rights and freedoms including the elimination of forced labour. We continually review this Code to ensure any new advancements are updated and communicated to our suppliers. In addition to these standards, suppliers must comply with all relevant local and national laws. If there is a conflict between national law and the Code, the supplier must adhere to the standard which provides the worker with the greatest protection. We also have a supporting Homeworkers Policy, which we developed in collaboration with Homeworkers Worldwide. This clearly sets out our expectations for how suppliers should support any homeworkers and the standards that should be in place.

We have communicated our requirement to our first-tier suppliers to ensure that they and their own suppliers implement these standards, as we recognise the risk of modern slavery to be greater further upstream of the supply chain. As we engage deeper in our supply chain, we will seek to learn more about the most effective ways to enable access to remedy, in addition to encouraging good grievance mechanisms. We have defined a scope of work to launch a new supplier portal which will include resources, guides and policies, they will be in an easy-to-use format, with the purpose of supporting supplier partners and providing access to relevant information to help them identify and mitigate any risk. The portal will include a specific policy on modern slavery and the signs to look out for.

We recognise the risk of modern slavery can appear anywhere in the supply chain but we understand it may be more likely in certain areas and scenarios. To address this, we have performed a risk assessment across our business to determine where we should be focussing our efforts. When assessing our suppliers, we investigate against certain criteria including geographical location, materials used, production process, our leverage/spend with the supplier, visibility of supply chain and the findings from their latest ethical audit. This will give a rating for all our suppliers of High, Medium, or Low risk which determines the priority and action to be taken.

MONITORING AND AUDITING

At each stage of our supply chain, there are risks which need to be managed. We have started the process of mapping out the risks and use this to determine how suppliers fit into the monitoring and audit program. For all our medium and high-risk suppliers, we require that they complete an ethical audit at least every two years by an approved auditor.

Where our suppliers have already had an ethical audit completed at the request of another retailer, we are happy to use this to avoid the suppliers having to duplicate time and spend, if it meets our minimum requirements (reputable auditing company, approved framework, covers all the clauses in our Code). These audits will include site inspections, document reviews and interviews with workers in their local language to determine if employment is freely chosen. During 2021 local Covid-19 restrictions were still impacting on specific regions within our supply chain, so we worked flexibly with suppliers on the auditing timeframe to help alleviate any difficulties that were a consequence of the pandemic situation.

Where issues are identified we will work with the supplier to resolve the issue over an agreed timeframe providing as much support and guidance as needed. We want to improve the working conditions for those in our supply chains rather than walk away from issues found. During 2021 we had no reported issues of modern slavery in our supply chain but recognise that it is a complex and challenging issue to uncover.

Working collaboratively with our suppliers is paramount to Oliver Bonas. We work on a continuous improvement basis with our suppliers and ask for transparency and co-operation in return. For example: The social audit for one of our suppliers in China identified transparency issues around record keeping in their 2020 audit. We have worked with our supplier to reinforce the importance of disclosure, so we understand the true scale of any issues and can support them in putting measures in place to ensure they are managed going forward. Covid-19 has made planning and production challenging in 2021. We reassured our supplier of our commitment to work with them on corrective actions, to create better workplaces.

Progress has been made over the last twelve months, even in spite of the significant challenges of the pandemic and factories being closed for long periods of time. As a last resort, if no progress is made over the agreed time period, we may make the decision to seek alternative sources of supply. We did not do this in 2021.

WHAT IS NOT KNOWN AND OUR PLAN TO MAP IT

To date, our ethical sourcing program has focused on our Tier 1 factories – the main production facility used for the major transformation of a product. During 2021 we re-defined our supply chain tiers so that Tier 1 now encompasses all primary processing sites e.g. cutting, sewing, assembly, QC inspection, etc. A lot of these sites were previously defined as Tier 2 sub-contractors. A Tier 2 site is now a facility adding 'enhancement to products' e.g. painting, embroidery or printing. Tier 3 is a material finisher or component supplier and Tier 4 and 5 factories are material processors and raw material cultivation respectively.

We work across a diverse range of products and supply chains, so have multiple visualisations of what this can look like. The change in facility tiers will be reflected in next year's factory data.

We know modern slavery can be a hidden issue in supply chains. Having had a well-established social audit program for our Tier 1 suppliers for many years, we believe it poses greater risk as we look upstream through the tiers, where we have less visibility. We have therefore rolled out three changes to our factory monitoring program:

1. More robust risk assessment process – As well as an inherent risk score, we now also apply a facility risk rating, derived from the findings of their most recent ethical audit, team visit or in-depth self-evaluation process.
2. Supply Chain Mapping – We are working with suppliers, in a phased, prioritised approach, to map their supply chains as far up the chain as possible, to ensure we have better visibility of what these chains look like and can assess where and what we consider to be our biggest risk areas.
3. Extension of our factory monitoring program to incorporate all Tier 1 and 2 sites - We are working through our supply chains to roll out this change with suppliers, in a phased approach, so we can support them on the process and deal with any issues uncovered effectively.

COTTON SOURCING

There are ongoing concerns around the use of government-sponsored forced and child labour in Uzbekistan, Turkmenistan, and Xinjiang, Uygur Autonomous Region in China. Whilst we do not source much cotton from China, we recognise this poses our most significant modern slavery risk. Oliver Bonas has banned the use of cotton from Turkmenistan, Uzbekistan and Xinjiang, China. This is outlined in our Cotton Sourcing Policy, which was updated in 2021 and sent to all suppliers for their agreement.



Following the UK Government's announcement of the measures put in place to ensure that British organisations are not complicit in, nor profiting from, the human rights violations in Xinjiang, China, we have put an increased focus on examining our supply chain in this region. We do not directly source any products or materials from Xinjiang and have carried out further mapping work to understand the risk beyond Tier 1. Suppliers of cotton products are also required to declare the country/region of origin of any cotton used in OB branded products.

In addition to this we have been working with the Ethical Trading Initiative (ETI), British Retail Consortium (BRC) other retailers, trade unions and NGOs to try to understand and address the growing concerns.

COLLABORATION

As part of our commitment to strive to do business in a way that has integrity, is ethical and does not negatively impact others or the environment, we believe that organisations cannot achieve their goals alone. We are committed to working with other like-minded organisations to achieve greater scale, change and impact.

We continue to be full members of the Ethical Trading Initiative (ETI) which is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. We are an active member, working closely with other members on projects aimed at tackling key ethical trade issues and high-risk areas.



We are also members of Sedex, a collaborative platform for sharing responsible sourcing data on supply chains. We joined with the aim to reduce the administrative burden on our suppliers and after some initial research found Sedex was the most used platform within our supply base. The system allows us to view ethical audits, track corrective action progress and verification status, risk assess supplier self-assessment questionnaires using sophisticated risk model data and view workforce details such as employment type and gender breakdowns.

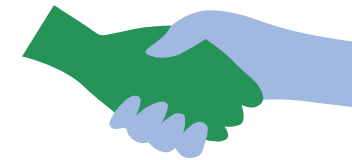
Last year Sedex launched an update to their supplier Self-Assessment Questionnaire (SAQ) with improved methodology to capture site-based risk more effectively. It provides improved visibility of global supply chains and actionable, prioritised information. The Management Controls Report and supporting guidance helps suppliers prepare for their ethical audit and implement improvement actions.

We work collaboratively with a range of other retailers and brands through the British Retail Consortium (BRC). We are an active supporter of the BRC Climate Roadmap to Net Zero by 2040 and attend multiple working groups including one centred around ethical labour.



In 2021 we pledged our support to the Better Business Act, a campaign to change the UK law to ensure every company in the UK aligns their interests with those of wider society and the environment. The campaign was initiated by B Lab UK and currently has over 1,000 businesses in the coalition.

In addition to these formal industry initiatives, we also meet regularly with a range of peer retailers and brands in an informal setting, to discuss shared challenges and good practice on ethical sourcing and sustainability, and on a more direct basis should a query or concern arise on a shared supplier. By working collaboratively and transparently, we increase our leverage for change and share insight with our peers.



TRAINING

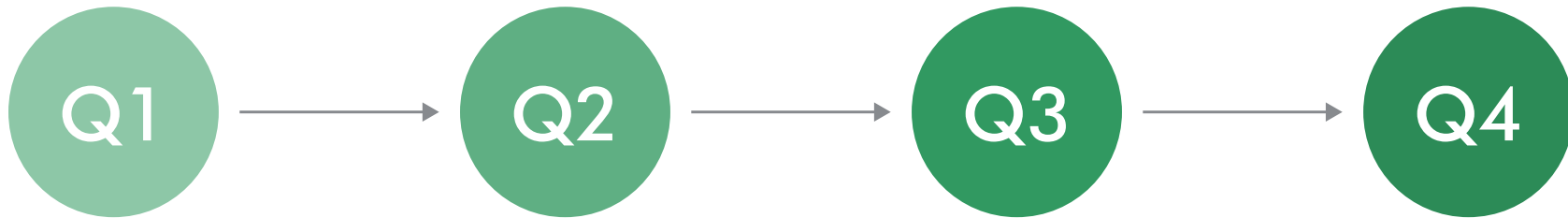
We run an ethical trading training programme for all our team members, regardless of their position at OB. All current employees will read our Introduction to ethical trade available through our online learning platform, Loop, which is included in our new employee induction process. A wider training rollout is planned for 2022.

MONITORING PROGRESS

At Oliver Bonas we are eager to continuously enhance and extend our ethical trading approach. A crucial part of that is ensuring we are working with the relevant stakeholders to tackle the global issue of modern slavery. Our modern slavery processes will continue to develop as we learn more from suppliers, other retailers, NGOs and multi-stakeholder initiatives such as the ETI. In order to assess the effectiveness of the actions we are taking; progress is measured using the following key performance indicators (KPIs)

KPIs*	ACHIEVED IN 2018	ACHIEVED IN 2019	ACHIEVED IN 2020	2021 PROGRESS
ANY FORCED LABOUR NON-COMPLIANCES FOUND IN AUDITS AND ACTIONS TAKEN IN RESPONSE	Continued auditing of high risk suppliers. No identified non-compliances on forced labour in 2018.	Continued auditing of high risk suppliers. No identified non-compliances on forced labour in 2019.	Continued auditing of high risk suppliers. No identified non-compliances on forced labour in 2020	Extended audit program to begin incorporating medium risk and tier 2 facilities. Introduced in-depth self-assessment tool for sites where the standard audit methodology is not appropriate No forced labour non-compliances identified in 2021
NUMBER OF SUPPLIERS SIGNED UP TO OUR SUPPLIER CODE OF CONDUCT	All existing own brand suppliers have signed our Supplier Code of Conduct. All recruitment agents signed Supplier Code of Conduct (100%) Five major logistics partners signed Supplier Code of Conduct	All existing own brand suppliers have signed our Supplier Code of Conduct. All recruitment agents signed Supplier Code of Conduct (100%) All major logistics & haulage partners signed Supplier Code of Conduct (100%)	All existing and new own brand suppliers have signed our Supplier Code of Conduct (100%) All recruitment agents signed our Supplier Code of Conduct (100%) and are members of the REC All major logistics & haulage partners signed Supplier Code of Conduct (100%)	Maintained compliance to 100% of new suppliers onboarded.
NUMBER OF RELEVANT STAFF TRAINED	100% HR recruitment (central) 42 store managers trained (59%) Buying and merchandising (80%)	80% of all store managers 100% of Buying & Merchandising Team	The pandemic prevented any face to face training with OB team members in 2020. However, our Induction Resources were updated so all new team members, regardless of role, were training on our Ethical Trade and Modern Slavery standards.	As last year, all new employees trained via Loop learning portal. All training resources are mandatory for new joiners.
NUMBER OF HIGH-RISK SUPPLIER AUDITED	75% of High Risk Audits completed	88% of High Risk Audits completed	HOME & GIFT 15 of 58 High Risk Suppliers completed audits in 2020. All others were completed in 2019. None of these were virtual audits. Only 2 high risk suppliers on the Home & Gift supply chain have outstanding audits. These have been difficult to complete due to local and national lockdowns. Audits in Thailand are not currently possible. FASHION 6 of 11 High Risk Suppliers completed audits in 2020. All others had audits in Q2 2019. Improvement journeys continue with one supplier. And one outstanding audit is in Thailand where audits are not currently possible.	During 2021 we changed our risk model and tier definitions. We are now working towards all Tier 1 and 2 sites having some form of social assessment (audit, visit or in-depth self-assessment) FASHION 100 Tier 1 sites 98 Assessed in 2020/21 2 sites awaiting assessment HOME & GIFT 112 Tier 1 sites 90 Assessed in 2020/21 22 sites awaiting assessment
STEPS TAKEN TO EDUCATE AND TRAIN OUR HIGH-RISK SUPPLIERS	Developed a training programme for high risk suppliers / countries – this year has focused on China and Turkey. We have also developed a toolkit for our high-risk India suppliers which has been distributed.	Focused Modern Slavery training for India & Chinese suppliers	Given the pandemic, our focus was on two key issues: Health & Safety: ensuring that all suppliers were keeping team members protected and had covid-secure policies in place. Extensive information was provided to all suppliers and we received images and videos from factories of processes in place. Wages: ensuring all our suppliers paid their workers their due wages.	The pandemic continued to impact on our supply chain this year. These are still areas of focus for us. The new online resources developed in 2021 are designed to support and educate suppliers thorough practical guidance.

*see previous years MSA for achieved in 2017



Launch extended supply chain mapping program.

Continue to review and add to our Ethical Trade policies.

Improve and add to our internal communications and training on ethical trade, sustainability and human rights.

Conduct independent audit of our own OB warehouse and recruitment processes.

Further analysis of factory audit data to identify salient risks in our supply chain.

Launch supplier portal to support OB supplier partners in a transparent and collaborative way. This will include new policies and resources designed to identify and diminish risks in our supply chains.