



MISSGUIDED Modern slavery Statement

2019

Introduction

The production of a modern slavery is a legal requirement for a business of our size and reach. However, we do so, not because we must, but because we care.

We recognise modern slavery can manifest itself in different forms such as slavery, servitude, forced or compulsory labour and human trafficking - all issues of increasing global concern.

We have a zero-tolerance approach to modern slavery and this is unacceptable in any form within our business and supply chain. To combat this is an important part of our approach to business and human rights.

As global concern about modern slavery is increasing more countries are following the UK's lead in setting up modern slavery legislation and demanding companies to publicly disclose their efforts to address slavery and trafficking within their supply chain. As an international business we support and welcome this demand.

We acknowledge the need to increase transparency with our customers and stakeholders who share our concern regarding modern slavery. To help address this we have now published our first CSR website detailing the collaboration and initiatives we're involved in. We further believe publishing a modern slavery statement is a step towards transparency, setting the tone for wider dialogue across industry and creating opportunities to collaborate.

This is MISSGUIDED's fourth modern slavery statement which documents our policies, due diligence process, risks and further commitments. This statement also highlights key activities and the collaborations we have undertaken in the last year to raise awareness and actively combat the complex and deep-rooted issue of modern slavery in our global supply chain.

About Missguided

Founded by our owner and chairman Nitin Passi in 2009, MISSGUIDED is one of the most vibrant women's fashion brands in the UK. We understand the wants and needs of our customers – predominantly young women under 30.

Headquartered in Manchester, UK, our award-winning offices reflect the culture of our brand. Apart from the UK we also have transactional websites in Australia, Canada, France, Germany, Ireland, Poland, Spain, New Zealand and the USA. Although primarily an e-ailler, we currently have one retail store in the UK and are expanding into new sales territories via our wholesale (digital) and franchise (retail) partners.

We offer on trend product with iconic handwriting that's become synonymous with the MISSGUIDED brand. We have an aspirational presence, inspiring and giving confidence to our customer and gaining their trust as a credible fashion source they are proud to be a part of.

Product	Target female	Territories
Apparel, footwear, accessories, beauty products	16-29	Our goods are shipped to 180 countries
Turnover	Sales channel	Wholesale
£215 million	Primarily etail, one self-owned store in UK, franchise partners in Middle East and Asia	Wholesale partners across UK, Europe, Canada, USA, North America, Australia, New Zealand, Middle East & Asia
Customer care	Employees	Fulfilment centre
Operate inhouse and across 2 outsource partners	389 across head office and retail	Based in Manchester, run by XPO

Supply Chain

We divide our supply chain into two categories

1. Merchandise for resale on our websites and stores, including third party brands
2. Goods and services not for resale

Product supply chains are long and complex involving multiple tiers. We define these tiers as below

Tier	Definition	Example
1	Factories where the merchandise is assembled and branded	Construction, branding, finishing, packing
2	These sites assist the main factory via sub-assembly processes	Cutting, knitting, panel printing, washing, product assembly for cosmetics, accessories,
3	These sites provide the materials for Tier 1 sites	Fabric mills, tanneries
4	These sites are where the raw materials undergo the first stage of processing	Yarn supplier
5	Raw material	Farm

All Tier 1 factories should be declared and risk assessed against our code of conduct and ethical objectives including modern slavery indicators.

Goods and services not for resale includes outsource fulfilment centre, logistics, technology, cleaning, utilities etc. During the course of last year we have introduced policies and contractual controls and continue to assess the risk. We have extended the scope of our modern slavery and whistleblowing policies to include goods and services not for resale.

Policies and contractual control

We constantly review and update our standards and policies to deal with emerging risks, changes in law, the political landscape and industry to ensure these are current and fit for purpose. We regularly consult our governance board regarding any updates which need to be issued. In 2019 we published our new supplier directory online which contains details of all required policies and guidance, as well as technical standards. We have also published additional standards and policies on our CSR webpage to support our actions on modern slavery. These include:

Our Ethical Objectives: The ethical objectives MISSGUIDED has adopted are those of the Ethical Trading Initiative, of which MISSGUIDED is a member. These, in turn, are based on the internationally recognised standards of the International Labour Organisation (ILO). It defines minimum standards we require from all our suppliers.

MISSGUIDED Anti-Slavery and Human Trafficking Policy: Outlines our zero-tolerance approach to modern slavery and our actions under the policy.

MISSGUIDED Child Labour, Remediation and Young Worker Policy: Sets out steps to protect young workers so that no children are involved in the production of our products.

MISSGUIDED Cotton Sourcing Policy: Due to the continued widespread use of forced and child labour in cotton cultivation in Uzbekistan & Turkmenistan, we have banned the use of Uzbekistan and Turkmenistan cotton in our products whilst these practices continue.

Terms of contract: We make our expectations clear from the outset of our relationship with suppliers. All suppliers must agree to our supply of merchandise agreement which places a strict obligation on them to comply with obligations of Modern slavery.

Anti-bribery and corruption policy: This details our zero tolerance stance, expectations and responsibilities

Whistleblowing policy: We have a whistleblowing policy in place for our factories, suppliers and internal staff. In addition, we also have a multilingual access to remedy helpline for UK factories and our internal staff to raise any concerns they have whilst protecting their anonymity. This is managed by a third party.

The implementation of these policies is supported by our CSR Governance Board.

Due Diligence

Governance: We have a corporate social responsibility governance board in place chaired by our CEO and attended by our Chief Operating Officer, Chief Product Officer, alongside our heads of sourcing & product technology, buying, people and CSR manager. We meet on a quarterly basis to review risks, due diligence and agree actions and define policy. Close inter-departmental working is essential for implementation of our standards & policies including modern slavery.

Monitoring: We have an ethical trading programme in place to risk assess all our Tier 1 factories against our ethical trade policy and modern slavery. Our ethical trade programme is supported by factory visits undertaken by our internal team to uncover real conditions. We ask our suppliers to support and show progress on any issues identified via a continuous improvement .

Partnerships: Collaborations are key in addressing the risks of modern slavery - any brand working on their own will not be able to prevent modern slavery in the supply chain. To that end, we are members of:

- **Ethical Trade Initiative (ETI):** Which enable us to work with different brands, trade unions and civil society through different initiatives to address the issues collectively, such as
 - Leicester working group
 - Modern slavery group
- **Supplier Ethical Data Exchange (SEDEX):** Our membership of Sedex helps improve transparency in our supply chain
- **British Retail Consortium (BRC):** As members of the BRC we have joined their Better Retail, Better World to meet some of the biggest global challenges of the coming decades, as highlighted by the United Nations (UN), including climate change, modern slavery and the right to decent work, sustainable economic growth, inequalities and responsible consumption and production.

We are further working in collaboration with

- **Gangmasters and Labour Abuse Authority (GLAA):** We are signatories to the Apparel and General Merchandise Public/Private Protocol which aims to tackle labour exploitation in the UK supply chain. It recognises the intent of the Labour Market Enforcement Bodies (LMEB) and Apparel and General Merchandise (AGM) brands to work together and share information with the overarching aim to protect vulnerable and exploited workers
- **Galaxius Systems Ltd:** To improve productivity in the UK supply chain via their low cost, innovative software.

Risk Assessment

We conduct risk assessment of our Tier 1 factories based on external reports, our partnerships and our own due diligence programme and access to remedy helpline. The manifestations of modern slavery are complex and hidden and to prioritise actions we refer to a set of indicators from [UK Gangmasters and Labour Abuse Authority \(GLAA\)](#) to guide our actions. These include indicators across:

- Restricted freedom
- Behaviour
- Working conditions
- Accommodation
- Finances
- Appearance

We understand that there is a high risk of modern slavery in a supply chain where there are:

- Migrant workers
- Vulnerable groups of people (refugees)
- Contracted or temporary workers
- Undisclosed sub-contracting
- Child labour
- Majority female workforce

Our approach:

We have adopted the BRC (British Retail Consortium) Retailer Protocol for Handling Reported Cases of Modern slavery, which establishes principles of good practice for retailers responding to reported cases of forced labour, human trafficking and other forms of modern slavery in the UK supply chain.

Risks and Actions

Risk assessment, management, steps taken and further commitment

Risks	Why are these risks	Steps taken	Further commitment
Migrant workers	<p>The risk of modern slavery increases when there is high presence of migrant workers in any country because of</p> <p>An inability to understand the terms and conditions of employment</p> <p>An inability to speak the local language leading them to be more vulnerable to exploitation</p> <p>Migrant workers paying recruitment fees and trapped in substandard employment terms</p>	<p>We have issued anti-slavery and human trafficking policies which define supplier specific requirements and provides guidance on spotting the signs of modern slavery</p> <p>We have started mapping migrant labour in our supply chain</p> <p>Joined Modern slavery group at Ethical Trading initiative (ETI)</p> <p>Joined Better Retail Better World</p>	<p>Continue to map and risk assess migrant labour in our supply chain</p> <p>Implementing employer pays principle so that no worker should pay for the cost of recruitment</p> <p>Continued engagement in Modern slavery group at ETI</p> <p>Continued engagement with Better Retail Better World to deliver agreed activities as part of multi-stakeholder group</p>
Vulnerable group of people	<p>May not have access to legal means of employment making them vulnerable to exploitation</p>	<p>We have issued a policy to help suppliers understand the responsibility.</p> <p>Document refugees in Turkey when they are found to ensure they are treated fairly and according to local law</p> <p>Established helpline for UK factories</p> <p>Signatories to Apparel and General Merchandise Public/Private Protocol</p>	<p>Document and continued support for treatment of refugees, if found in our Turkey supply chain</p> <p>Continue engagement with Gangmasters and labour abuse authority through Apparel and General Merchandise Public/Private Protocol in UK</p> <p>Further engage with external stakeholders to develop policies and due diligence process for our global supply chain</p>

Risks	Why are these risks	Steps taken	Further commitment
Contracted or temporary workers	<p>May have been recruited from home countries with false promises</p> <p>May have fewer rights in the workplace making them more vulnerable to exploitation</p>	<p>Banned all cash payments in UK factories to be able to trace back wages paid to workers via their own bank account</p> <p>Require contracts to be in place for all workers including temporary workers in UK</p> <p>Modern slavery risk assessment of all Tier 1 UK factories</p>	<p>Risk assessment of our supply chain including risk assessing our own UK fulfilment centre</p> <p>Start mapping Tier 2 and Tier 3 factories in UK</p> <p>Mapping agency workers in our supply chain</p>
Child labour and young workers	<p>Children and young workers are vulnerable to exploitation of forced and bonded labour</p> <p>Lack of proper checks at recruitment stage can lead to child labour employed in factory</p> <p>Lack of health and safety policies and practices may lead young workers to work in unsafe working conditions</p>	<p>Banned use of cotton from Uzbekistan and Turkmenistan due to the continued widespread use of organised child labour in</p> <p>Updated policy to define child worker as below 15 rather than the local law in each territory</p>	<p>Sign cotton pledge</p> <p>Online training toolkit for global suppliers and factories for child labour prevention</p>

Risks	Why are these risks	Steps taken	Further commitment
Undisclosed sub-contracting	<p>Undisclosed sub-contracting is where factories registered with us send our products to be manufactured at factories not registered with us.</p> <p>This is in breach of our supplier terms of engagement</p> <p>We have no visibility of such sites, workers can be more at risk of exploitation</p>	<p>We have mapped our Tier 1 supply chain</p> <p>Revised our policy of undisclosed subcontracting to make it more stringent</p> <p>Revised our terms of engagement with suppliers to focus more on this area</p>	<p>Continued engagement with suppliers and factories including regular visits to UK</p> <p>Further work with third party to start managing the risks</p>
Majority female workforce	Presence of large number of female workers in the supply chain, they can be particularly vulnerable to exploitation	Access to remedy multilingual helpline for own UK supply chain	<p>Continued support for helpline in UK</p> <p>Pilot mental health awareness programme for workers in UK factories</p>

Training

Training – Internal

- In order to increase awareness and improve our approach in detecting the issues we regularly update the leadership team via the CSR governance board.
- All our staff have undergone specific online training sessions on modern slavery, including information on how to raise complaints. We monitor completion rates and scores to ensure awareness and understanding of modern slavery in all relevant areas of the business.
- Modern slavery is a part of induction programme for new employees.
- We have launched a Modern slavery workshop specific to staff who have contact with factories to develop a better understanding of signs of modern slavery and how to raise concerns internally.

Training – External

- We have delivered two workshops to suppliers in the UK on the subject.
- We have launched an online supplier training portal.
- As an active member of the ETI we regularly participate in briefing meetings and working group meetings to raise awareness, share experiences/learnings and collaborate on resolution of key issues including modern slavery.

Access to Remedy: To empower workers we have established a multilingual helpline for our UK supply base, where UK workers can raise issues in confidence, whistle blowers are further protected by our whistleblowing policy.

Further commitment

Over the coming year our plan is continued engagement with industry peers, external stakeholders and partners through our memberships and collaborations to focus on root causes of modern slavery. Our aim is to further promote our four important values – the MISSGUIDED `vibes' #DreamBig, look to #WinTogether, #BelieveAlways and #LoveLots which are central to the purpose of our programme. Our areas of focus next year will be

- Mapping migrant labour and agency workers in our supply chain
- Mapping Tier 2 and Tier 3 factories in UK
- Embedding employer pay principle in our ethical trade policy
- Modern slavery workshops for Internal staff who have day to day interaction with suppliers
- Continued engagement with the modern slavery group at the ETI
- Continue engagement with the Gangmasters and Labour Abuse Authority through the Apparel and General Merchandise Public/Private Protocol
- Pilot mental health awareness programme for workers in UK factories
- Online training portal for suppliers

The oversight of modern slavery is led at board level, accordingly this statement has been approved by the Board of Directors and signed by me, as CEO



Nitin Passi

Founder & CEO

