



Modern Slavery Statement

2017-18

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which result in deprivation of a person's liberty by another to exploit them for personal or commercial gain.

We consider modern slavery to be one of the most salient risks within the global garment sector although no sector, industry or economy is immune to it.

We have a zero-tolerance approach to modern slavery and we are committed to act with integrity and transparency in all our business dealings and relationships. This statement documents our policies, due diligence process, risks and the actions taken to mitigate them directly and in collaboration with other stakeholders, alongside our training programme to tackle modern slavery within our business and supply chain.

The oversight of modern slavery is led at board level, accordingly this statement has been reviewed and approved by the Board of directors and signed by our CEO.

Nitin Passi

Founder & CEO

MISSGUIDED

About Missguided

We are a British brand founded by our CEO in 2009 which has grown into global multi-channel retailer with a UK head office operating under name MISSGUIDED Ltd and MISSGUIDED Retail Ltd.

Product: Apparel, footwear, accessories, beauty products

Customers: Target female 16-35

Territories: Our goods are sold in 80 territories

Turnover: 215 million

Sales channel: Primarily Etail but also via 2 fully owned stores and 3 concessions.

Wholesale: We work with 12 Wholesale Partners across the UK, Europe, North America, Australia & Asia

Franchise stores: Planning to open in next FY

Employees: 600 across head office and retail

Offices: We have head office in Manchester UK

Fulfilment centre: Our fulfilment centre based in Manchester is run by a third party, XPO Logistics Ltd

Customer care office: We operate In-House and across 3 Outsource Partners



Supply Chain

We divide our supply chain in 2 categories

1. Merchandise for resale on our website 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 is 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 supply chain include outsource fulfilment centre, logistics, technology, cleaning, our focus to date has been more on our merchandise supply chain. We recognise there is a risk of Modern slavery in these areas and will start assessing the risk in the next financial year, starting from mapping of risks and planning actions.

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 for any update to be issued.

Our ethical trade standards which support action on modern slavery are set out in these policies;

Our Ethical Objectives: The Ethical Objectives that 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 and sets out steps so that no children are involved in the production of our products.

MISSGUIDED Refugee Policy: To ensure the refugee workers working under voluntary working conditions and are not discriminated against.

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.

Whistleblowing policy: This year we established a whistleblowing policy for our staff and UK supply base to raise any concerns they have whilst protecting their anonymity.



Due Diligence

Governance: We have a corporate social responsibility governance board in place chaired by our CEO and attended by our trading and people director alongside heads of supply, buying and CSR manager. We meet on a quarterly basis to review risks, our due diligence and actions. Close across-departmental working is essential for implementation of our standards & policies including modern slavery policy.

Monitoring: We have an Ethical trading programme in place to risk assess all our Tier1 factories against our ethical trade policy and modern slavery. Our ethical trade programme is supported by internal team factory visits to uncover real conditions. We ask our suppliers to support and show progress on agreed timescales under our continuous improvement standard.

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, as such we are members of

- **Ethical Trade Initiative (ETI):** Which enable us to work with different brands, trade unions and civil society through different initiatives, such as Leicester Working Group, to address the issue collectively
- **Supplier Ethical Data Exchange (SEDEX):** Our membership of Sedex helps improve transparency in our supply chain

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.



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 have developed a set of indicators to guide our actions.

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

- Migrant labour
- Vulnerable group of people (Refugees)
- Contracted or temporary workers
- Undisclosed sub-contracting
- Child labour
- Female workers

Risk assessment, management and steps taken

Risks	Why are these risks	Steps taken
Migrant workers	<p>The risk of modern slavery increases when there is high presence of migrant workers in any country because of</p> <ul style="list-style-type: none">• An inability to understand the terms and conditions of employment• An inability to speak the local language leading them to be more vulnerable to exploitation	<p>We have issued Anti-slavery and human trafficking policy which defines supplier specific requirements and provides guidance on spotting signs of modern slavery</p>



Risks	Why are these risks	Steps taken
Refugee	<p>May not have access to legal means of employment making them vulnerable to exploitation</p>	<ul style="list-style-type: none"> • We have issued a policy to help suppliers understand the responsibility. • Document refugees when they are found to ensure they are treated fairly and according to local law
Contracted or temporary workers	<ul style="list-style-type: none"> • May have been recruited from home countries with false promises • May have fewer rights in workplace making them more vulnerable to exploitation 	<ul style="list-style-type: none"> • Banned all cash payments in UK factories to be able to trace back the payments made to workers in their own account • Require contracts to be in place for all workers including temporary workers in UK • Modern slavery risk assessment of all Tier 1 UK factories
Undisclosed sub-contracting	<p>Undisclosed sub-contracting, where factories registered with us send our products to be manufactured at factories not registered with us.</p> <ul style="list-style-type: none"> • This breach our supplier terms of engagement • We have no visibility of such sites, workers can be more at risk of exploitation 	<p>We have</p> <ul style="list-style-type: none"> • Mapped our Tier 1 supply chain • Revised our policy of Undisclosed subcontracting to make it more stringent • Revised our terms of engagement with suppliers to focus more on this area

Risks	Why are these risks	Steps taken
<p>Child labour and young workers</p>	<ul style="list-style-type: none"> • Children and young workers are vulnerable to exploitation of forced and bonded labour • Lack of proper checks at recruitment stage can lead to child labour employed in factory • Lack of Health and safety policies and practices may lead young workers to work in unsafe working conditions 	<ul style="list-style-type: none"> • Banned use of cotton from Uzbekistan and Turkmenistan due to the continued widespread use of organised child labour in • Updated policy to define child worker as below 15 rather than the local law in each territory
<p>Female workers</p>	<ul style="list-style-type: none"> • Presence of large number of female workers in the supply chain, they can be particularly vulnerable to exploitation 	<ul style="list-style-type: none"> • Access to remedy multilingual helpline for own UK supply chain • Started factory visits by internal team in China



Training

- In order to increase awareness and improve our approach in detecting the issues, we regularly update senior leadership team through CSR governance board.
- All our internal 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.
- 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.
- We have delivered 2 workshops to suppliers in the UK on the subject
- 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.

