

FATFACE

SINCE

• MADE WELL



WORN WELL •

1988

Modern Slavery Statement
2016/2017



overview of our business

Founded in 1988, FatFace is a UK lifestyle clothing brand with over 200 retail stores in the United Kingdom and 6 in the US. The Group offers a wide range of high quality and affordable clothing, footwear and accessories to its target demographic, which is primarily family-oriented women and men who are attracted by an active, causal outdoor lifestyle.

our structure

In line with our values, we have developed a robust approach to sustainability which is a core part of our business strategy and includes a clear reporting structure. Our Modern Slavery Act 2015 responsibilities sit with our sustainability team, which is led by a member of the FatFace Operating Board.

We report on our Modern Slavery responsibilities as part of our sustainability KPIs, quarterly through the group board Audit Committee, therefore regularly reviewing our progress. Our sustainability KPIs cover our supply chain due diligence activities, where modern slavery symptoms and risks are raised and escalated as business critical issues.

our commitment

I am personally committed to ensuring that FatFace has a robust approach to addressing Modern Slavery and human rights abuses within our supply chains. The implementation of the Modern Slavery Act 2015 highlights the importance of finding collaborative solutions to address these issues.

We continue to track a number of key performance indicators to ensure that we conduct appropriate supply chain due diligence, which includes assessing common symptoms of modern slavery risks. I look forward to reporting our progress against these year-on-year:

- Sustaining an appropriate corporate governance structure
- Maintaining a declaration of commitment from our suppliers
- Closely monitoring non-compliance with our supply chain code of conduct
- Monitoring risk beyond our first tier suppliers
- Tracking the number of cases of Modern Slavery reported and the remedial action taken.
- Maintaining procurement staff training levels

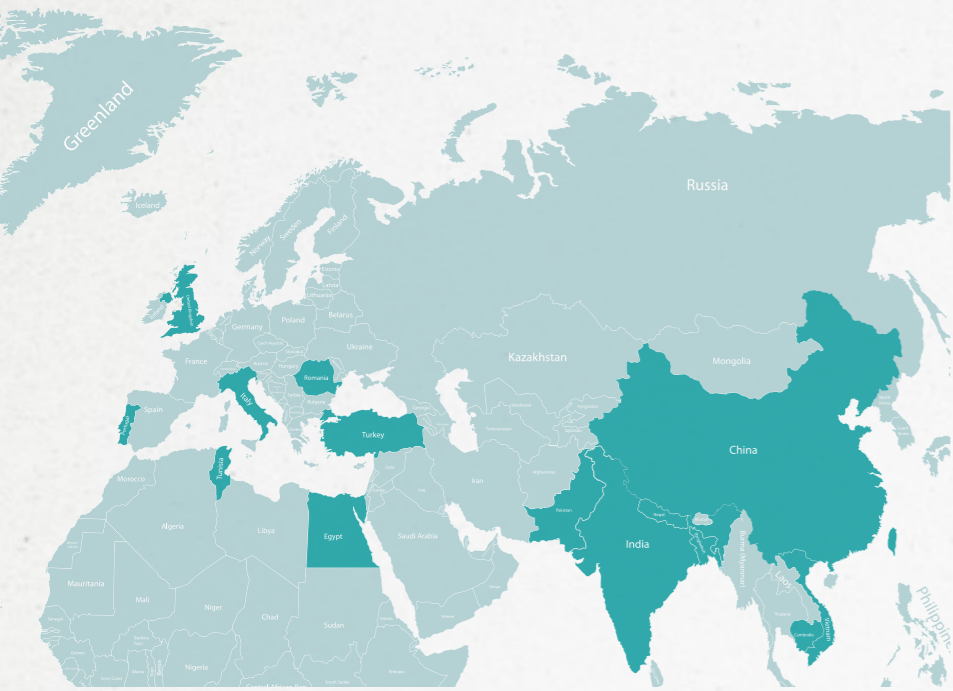
A J Thompson

Anthony Thompson
Chief Executive Officer, FatFace

July 2017



ABSOLUTELY *everything*
WE DO IS *designed* TO BE
loved BY ALL OUR CUSTOMERS
FOR LIFE *outside 9-5*



overview of our core product supply chain

FatFace sources, clothing, footwear and accessories from over 130 trusted and well integrated sourcing partners across 14 countries globally. Our sourcing mix reflects the requirements and core principles of the FatFace brand, which prides itself on producing great quality products that our customers love outside the 9-5.



Since selling our first t-shirt in 1988, FatFace has built particularly strong relationships with our core product sourcing partners. Our top 10 suppliers have worked with FatFace for over 10 years on average and our top 20 suppliers have a combined relationship with FatFace of over 160 years, and account for 77% of our product intake by value (2016-2017 financial year).

The FatFace product mix and our ability to ensure continued quality is dependent on working with these established suppliers, who fully understand our business values and expectations.

The strength of our supplier relationships provides us with excellent visibility of our first tier factory locations and provides an excellent platform for understanding and addressing Modern Slavery & Human Trafficking concerns within the supply chain.

how we define modern slavery

We have derived our definition of Modern Slavery from the UN guiding principles on Human Rights and as such, for FatFace, 'Modern Slavery involves one person depriving another of their liberty in order to exploit them for personal or commercial gain'.

our policies in relation to slavery and human trafficking

We recognise that human rights abuses exist within global garment supply chains and as a responsible retailer we have the duty to understand and address these issues within our own supply chain. We work together with key partners such as the Ethical Trading Initiative and supply chain experts to achieve sustainable change.

Over the past year we have spread the word about our global supplier code of conduct, **'The FatFace Way of Life'** as a way of sharing our values and expectations with our core product suppliers. The expectations set out in our 'Way of Life' are based on universally recognised standards such as the Ethical Trading Initiative (ETI) Base Code and the UN guiding principles on business and human rights, both of which cover Modern Slavery issues.

understanding and assessing our risks

In assessing our modern slavery risks we have determined that our greatest risk of human rights abuses exists in our core product supply chain.

Garment supply chains are long and complex, with a large number of different suppliers involved between the production of the raw material through to the product arriving in our stores. The large majority of these stages are out of our direct control, particularly from the 2nd tier of our supply chain downward; so this year we have focused our efforts on our

first tier. We intend to increase our visibility and activity into the 2nd tier and beyond in the coming years.

Having mapped our core product supply chain against country specific risks highlighted by the Global Slavery Index, we know that India, China, Bangladesh, Cambodia and Pakistan are our first tier sourcing countries with the highest likelihood of modern slavery risk.

We have focused our efforts in these countries, making sure our basic due diligence 3rd party audits are in place for 95% of our first tier factories, and undertaking more in-depth FatFace Verification Assessments in 40% of factories in these countries. This year we have encouraged the use of a revised 3rd party assessment standard, which specifically investigates human rights issues such as land use and community engagement activity alongside existing human and labour rights issues such as living wages, working conditions and freely chosen employment.

Our more in-depth Verification Assessments have identified occasional issues that could be symptoms of modern slavery, such as retaining of ID papers and late-payment of wages. We are working with all of the suppliers where these issues have been found to ensure that such issues are resolved as soon as possible. On the rare occasion that it is not possible to engage our suppliers in the process of resolving these issues, we will terminate our business relationship with them. We have initiated 2 such actions in the past year, both in India.

We also recognise that human rights abuses can exist within our non-product operations. We have identified recruitment and the utilisation of contract labour within all our supply chains, both product and non-product, as an area of potential risk and have policies in place accordingly to mitigate these risks.



how modern slavery risks are reported

We analyse human rights abuses and non-compliance against our code of conduct through the implementation of FatFace's due diligence audit and assessment process. This information is shared on a monthly basis to the senior leadership team and reported as part of our governance structure to the group board of Directors through the quarterly audit committee.

Our membership of the Ethical Trading Initiative (ETI) provides FatFace with an important collaborative platform that enables the sharing and dissemination of information relating to human rights abuses amongst industry peers and provides insight into how best to address these challenges. We also report to the ETI on our supply chain due diligence activities and receive detailed feedback and guidance on improvements from the ETI Board, Secretariat and NGO and Trade Union members.

Our involvement in the Ethical Training Initiative's Turkey programme, which seeks to improve the employment and management of Syrian refugees in the informal Turkish garment industry, is a core aspect of our activity with the ETI and will continue into 2017-2018.

We have developed a dedicated email address for suppliers to communicate concerns they may have about human rights abuses in our supply chain, and will continue to utilise anonymous smartphone 'app' surveys involving garment workers in our Chinese supply chain.



training and capacity building

All FatFace core product procurement staff undergo training that outlines the principles of our code of conduct and the implications that human rights abuses can have upon our supply chain and the people in it.

We hold supplier workshops in key sourcing countries regarding the implementation of relevant legislation, the expectations of our code of conduct and what this means for FatFace and our sourcing partners. We are also planning a working conditions improvement programme to work with supplier sites that have undergone a verification assessment, to help them to find solutions to the issues that they encounter, improve working conditions for all of their workers, map and assess their own supply chains and work in partnership with us to reduce the risk of human rights abuses deeper into the supply chain.



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