

**FATFACE**

UNITED KINGDOM

MODERN SLAVERY  
STATEMENT

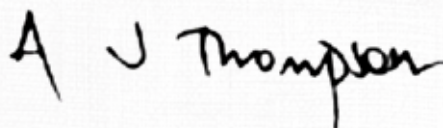
*Year ended 28th May 2016*



# Our Commitment

The human rights of all people working directly or indirectly for FatFace is of the utmost importance to us. Any human rights abuses have no place in our business or in the world in which we live. We are 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 will be tracking a number of key performance indicators to ensure that we continue to conduct appropriate supply chain due diligence and I look forward to reporting our progress against these year on year:

- 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
- Maintaining procurement staff training levels
- Sustaining an appropriate corporate governance structure
- Tracking the number of cases of Modern Slavery reported



CEO FATFACE  
JULY 2016



# Overview

## *Our business*

Founded in 1988, FatFace is a UK lifestyle clothing brand with over 200 retail stores in the United Kingdom and Ireland and 3 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 and casual outdoor lifestyle.

Our Vision - 'Absolutely everything we do is designed to be loved by all our customers for life outside 9-5'

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 board of directors. We report our Modern Slavery responsibilities as part of our sustainability KPIs through the group board audit committee, regularly reviewing progress.

## *Our core product supply chain*

FatFace sources clothing, footwear and accessories from over 160 trusted and well integrated manufacturing 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.

Since selling our first t-shirt in 1988, FatFace has built particularly strong relationships with our core product manufacturing partners with our top 10 each having worked with FatFace for 8 years or more and our top 20 suppliers having a combined 162 year relationship with FatFace and accounting for 81% of our product intake by value (2015). The FatFace product mix and our ability to ensure continued quality is dependent on working with these established manufacturing partners that fully understand our business values and expectations. The strength of our relationships provides us with excellent visibility of our first tier factory locations and provides an excellent platform for understanding and addressing Modern Slavery and human trafficking concerns within the supply chain.

## How do 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 have the potential to exist within global garment supply chains and as a responsible retailer we have the duty to understand and address these issues, working together with key partners and stakeholders in order to create sustainable change. In 2015 we developed and updated our code of conduct, 'The FatFace Way of Life' as a way of sharing our values and expectations with our core product suppliers. These expectations are based on universally recognised standards such as the ETI Base Code and UN guiding principles on human rights.

## Understanding our risks

Throughout the past year we have mapped our supply chains and identified that our core product supply chain is most at risk from exposure to human rights abuses. Garment supply chains are long and complex, with a large number of actors involved between the productions 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. As a result, we have identified this as an area of risk. In order to fully understand our exposure to human right abuses within our supply chain we have mapped our core product supply chain against country specific risks highlighted by the Global Slavery Index. As a result of this, India, China, Bangladesh, Cambodia, Turkey and Pakistan represent first tier sourcing countries with the highest likelihood of modern slavery risk. India represents many different stages of garment sourcing, including cotton production, ginning, spinning and garment manufacturing and challenges such as forced labour represent a risk.

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

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*“we have mapped our core product supply chain against country specific risks highlighted by the Global Slavery Index.”*

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## Assessing our supply chain

In order to fully understand our supply chain risks we regularly review the performance of our core product manufacturing partners against our Code of Conduct and we are members of the collaborative SEDEX platform that enables us to analyse 3rd party audit assessments. In addition, we also conduct verification assessments of our key sourcing partners. In 2015-2016, 85% of our manufacturing partners had signed our code of conduct and 89% had undergone an audit or assessment in the past 12 months and 27% had undergone a FatFace specific verification assessment.

During the year, we launched a dedicated email account for manufacturing partners to share information confidentially with FatFace and conducted a workshop involving all 35 of our Indian suppliers outlining our code of conduct and human rights expectations.

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*“we regularly review  
the performance of our  
manufacturing partners”*

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## How is modern slavery reported

We analyse human rights abuses and non-compliance against our code of conduct through the implementation of FatFace’s audit and assessment process. This information is shared on a monthly basis to the strategic 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 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 leading insight into how best to address these challenges. FatFace’s involvement in the Ethical Training Initiative approach to addressing the issue of Syrian refugee exploitation in the informal Turkish garment industry is an example of such collaboration.

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

## Training and capacity building

All FatFace core product procurement staff undergo training outlining the principles of our code of conduct and the implications that human rights abuses can have upon our supply chain operations and the people within them. We also hold supplier workshops in key risk countries regarding the implementation of relevant legislation including the expectations of our code of conduct and what this means for FatFace and our manufacturing partners.

