



MODERN SLAVERY STATEMENT

2022 / 2023

FATFACE

OUR COMMITMENT

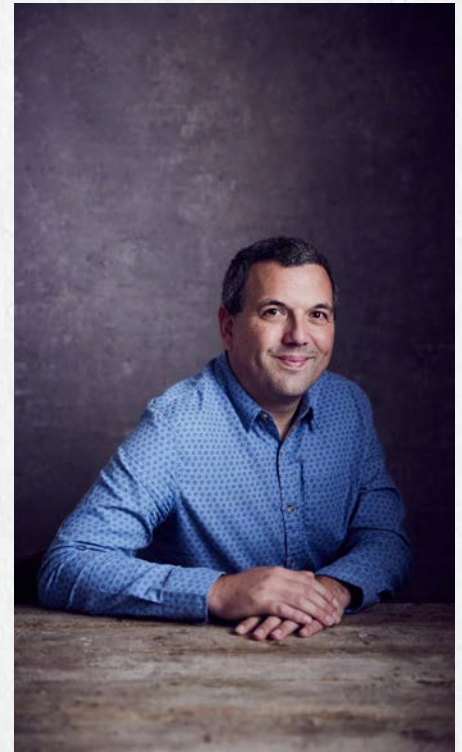
AT FATFACE, WE ARE COMMITTED TO ENSURING THERE IS NO MODERN DAY SLAVERY OR HUMAN TRAFFICKING IN OUR SUPPLY CHAINS OR ANY PART OF OUR BUSINESS.

Modern slavery is an escalating global concern that directly affects around 50 million people today – 10 million more than a decade ago. Factors such as the repercussions of the COVID-19 pandemic, the conflict in Ukraine, rising living costs and changing labour and immigration laws have collectively heightened the vulnerabilities of people, making them more susceptible to exploitations in diverse forms.

Our on-going Responsible Sourcing programme continues to ensure

that trading ethically and sourcing responsibly are key priorities and commitments for FatFace within our sustainability strategy. We continue to work both within our business and with our suppliers along with other key partners and stakeholders to mitigate the increasing global risks of modern slavery and human trafficking. Our work is aligned to the ETI Base code and the United Nations Guiding Principles (UNGP)

We consider modern slavery to be one of the most important risks and recognise the need to focus deeper on this in our global supply chain. Supply chain transparency is a complex and diverse issue, but we believe honesty and transparency are at the forefront of how we will improve. This report provides an insight into our progress and outlines the measures we have undertaken as our journey unfolds and we continually strive to enhance our practices.



A handwritten signature in black ink that reads "W. Crumbie". The signature is fluid and cursive, written over a light-colored background.

Will Crumbie – CEO
September 2023

ABOUT FATFACE

Founded in 1988, FatFace is a British, family, lifestyle clothing brand that is Made for Life. With a unique heritage, FatFace creates sustainable product ranges across women's, men's, and kid's clothing, footwear and accessories for the whole family to live life in. Our products are designed with purpose and built to last. Considered Style. Trusted Quality. Sustainably Sourced.

FatFace became a certified B Corporation™ in 2023 and is a multichannel retailer, with a thriving international digital business as well as over 220 stores in the UK, Ireland and North America, and a highly engaged social community. Our head office is in Havant and we

OVER 220 STORES IN THE UK, IRELAND AND NORTH AMERICA

employ 2,342 staff across our office, stores and our distribution centre. In the USA and Canada we have 220 employees. We are a brand with sustainability at its core, with a clear strategy around three key pillars – product, planet, and community. Devoted to style, dedicated to sustainability.

We continue to take a robust approach to sustainability, which is a core part of our business strategy and includes a clear reporting structure. Our Operational and Group Boards are experienced in managing governance around sustainability and they provide rigorous scrutiny of our approach and progress. Our Modern Slavery Act 2015 responsibilities sit with our Responsible Sourcing team, which is led by our Trading Director Nick Stevenson, who sits on our executive Operational Board.

We report on our Modern Slavery

risks and responsibilities as part of our sustainability KPIs; progress against these KPIs is reviewed every two months by our senior management team and annually through the FatFace Group Board Audit Committee. On a monthly basis we report to the Group Board on several key sustainability indicators. This means we are regularly scrutinising our performance against stretching targets to ensure sufficient progress is being made and any issues that do arise are promptly investigated and resolved.

Our sustainability KPIs include and cover our supply chain due diligence activities, which is the route through which modern slavery symptoms and risks are raised and escalated as business-critical issues. Our Operational and Group Boards are experienced in managing governance around sustainability and they provide rigorous scrutiny of our approach and progress.



OVERVIEW OF OUR CORE PRODUCT SUPPLY CHAIN

FatFace currently works with 144 garment, shoes and accessories factories across 14 countries. We continue to nurture long term relationships with our suppliers, placing great emphasis on partners who share our values and responsible approach to business. We have been working with our top 20 manufacturing partners for a combined period of 260 years, with the average relationship length

being 13 years. We continue to seek out partners who strive to meet our high quality and ethical requirements and recognise our shared duty to promote positive social and environmental footprints. We know that our product mix and ability to ensure continued high quality is dependent on our working relationships with our suppliers, who fully understand our business values and expectations. The strength of

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



OUR SUPPLY BASE

- Source from **14** countries
- **74** suppliers
- **144** active Tier 1 factories
- **100%** have signed up to our FatFace Way of Life (FFWOL)
- There are approximately **54,000** workers in our Tier 1 product supply chain
- On average **92%** of factories had active audit reports from the last 12 months, which was a 3% improvement on the previous year

NUMBER OF FACTORIES

Bangladesh - 01	02 - Pakistan
Cambodia - 06	01 - Portugal
China - 83	01 - Taiwan
India - 30	02 - Tunisia
Sri Lanka - 01	10 - Turkey
Morocco - 01	03 - United Kingdom
Nepal - 01	02 - Vietnam

OUR POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

We adopted our definition of modern slavery from the UN Guiding Principles on Business and Human Rights, which state that ‘modern slavery involves one person depriving another of their liberty in order to exploit them for personal or commercial gain’.

We know that human rights abuses can occur within global garment supply chains and, as a responsible retailer, we have a duty to identify and address these issues within our own supply chain. We work together with partners such as the Ethical Trading Initiative (ETI) and The Reassurance Network (TRN) to improve working conditions and reduce the risk of modern slavery occurring in our supply chain.

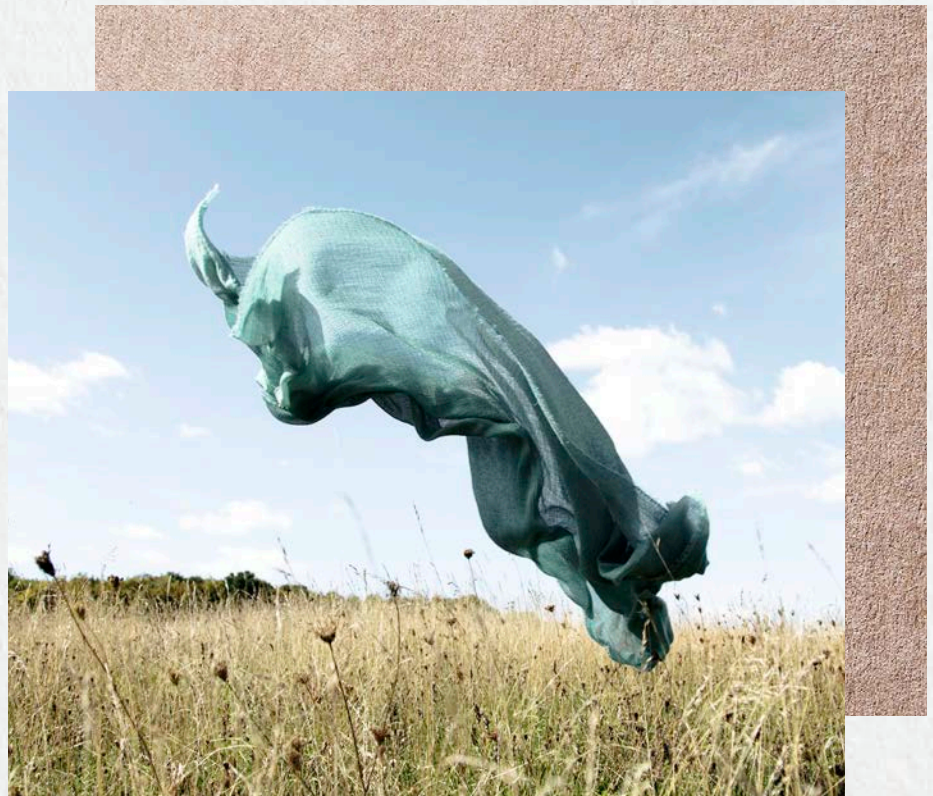
Our long term membership of the ETI, since 2008, also enables us to collaborate with other brands and retailers operating in our factories or markets, some of whom might even be our direct competitors. We know that improving working conditions is not a commercial or competitive issue, we continue to connect monthly with similar sized brands and use this forum as a platform to share information and co-operate on any critical issues.

Our code of conduct, the “FatFace Way of Life” (FFWOL) is the cornerstone of the principles of how we work with our supply chain and sets out the ethical standards that we expect. We continue to ensure that all of our suppliers are aware of, understand and commit to operating in accordance with this

global supplier code of conduct. The FatFace Way of Life is a way of sharing our values and expectations with our core product suppliers, based on universally recognised labour standards, including those outlined in the Ethical Trading Initiative (ETI) Base Code and the UN Guiding Principles on Business and Human Rights, both of which cover Modern Slavery issues.

The ‘FatFace Way of Life’ is the supplier code of conduct that is crucial in all of our commercial relationships. Suppliers and factories are required to sign up and adhere to this code and provide an annual ethical audit assessment. We set best practice standards for the types of audits we will accept, and once the audit has been completed and

reviewed, we work with factories. We have identified the importance of enhancing the visibility of our Code of Conduct (FatFace Way Of Life). Consequently, we’ve instructed our tier 1 manufacturing sites to prominently display our Code of Conduct poster. This poster is designed with low resolution for easy printing and is accessible in multiple languages. We have also included an email address for workers to reach out directly in case they see a contradiction with the code or if they have any questions. All emails are monitored in different languages. Furthermore, the Code of Conduct poster will serve as a training tool in our factories, ensuring that workers understand it and enabling them to contact FatFace directly should they need to.



FATFACE

The primary goal is to achieve transparency and trust between us as buyers and our suppliers as manufacturers, so that we can identify any issues quickly and work together to resolve them. This sometimes means that we may continue to buy from suppliers and factories that may have higher risk issues that have been discovered, provided that they remain committed to making long term improvements and agree to a time-bound corrective action plan.

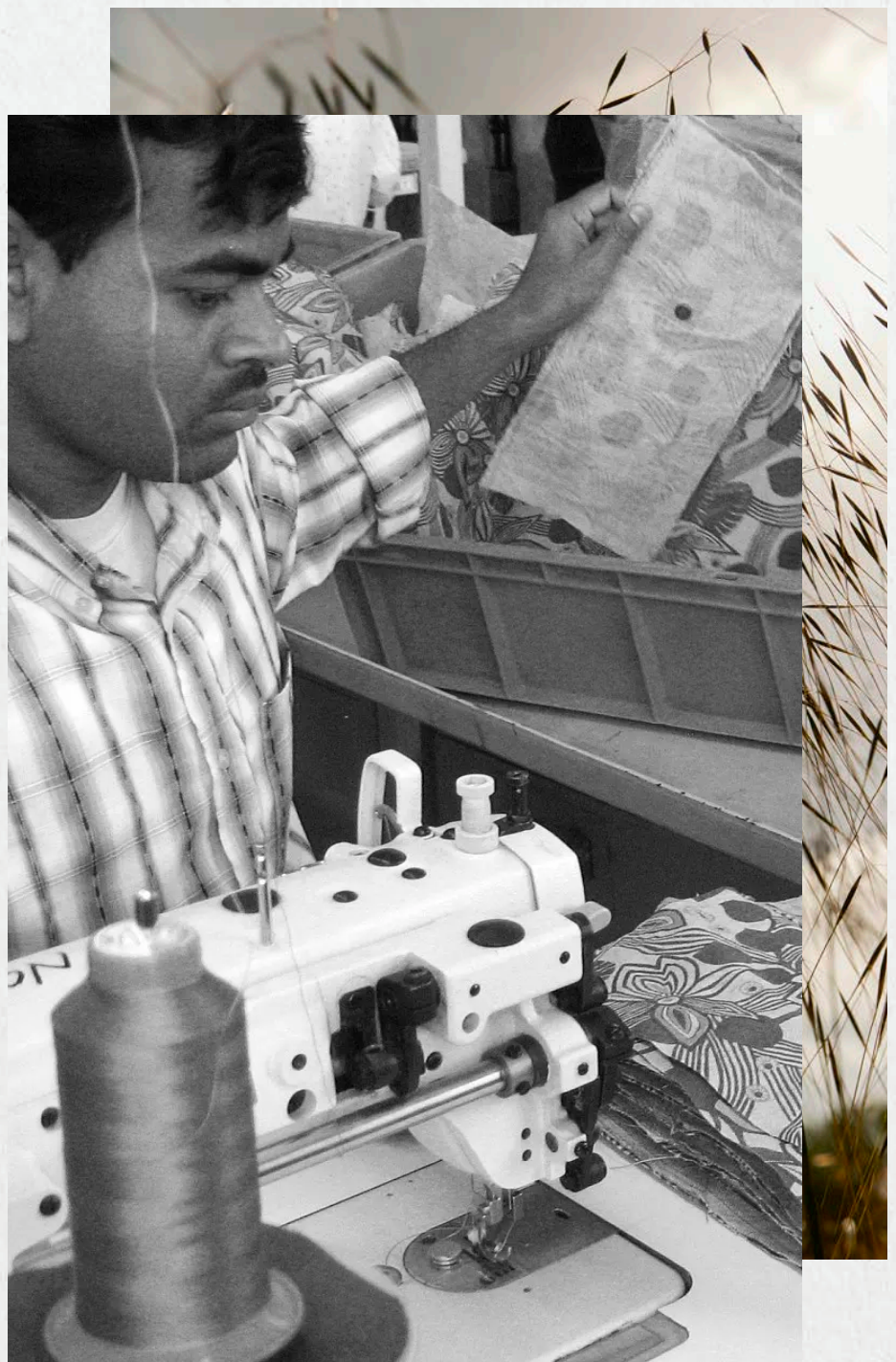
FatFace has robust processes in place to ensure all Tier 1 factories are audited annually against the ETI Base Code, national and other applicable laws. These audits are conducted by nominated independent third-party auditors on a semi-announced or unannounced basis. Factories must ensure that any non-compliances identified are corrected within the timeframe detailed in the Corrective Action Plan (CAP).

We continue to actively assist the factories we work with to resolve non-compliances that have been raised. We work in concert with our own Responsible Sourcing team, the factory and supplier, and our audit partner The Reassurance Network, to resolve the issue. Our focus has been in conducting verification assessments, but we have since expanded this further to include more Root Cause Analysis and Factory Improvement Plans. Our Root Cause Analysis, targets high-risk issues to uncover the root cause behind the issue. Once this is investigated, we provide training, support and time-bound actions on how the factory could make

improvements. The root cause analysis traditionally runs over 1-2 days and has proved effective in the resolution of more complex problems.

Our Factory Improvement Programme is where the factory

has a bespoke program, designed according to each factory's individual situation, and based on their specific needs. The duration of the program can run anywhere between 3-6 months depending on the work required and consists of physical visits and some online training.



FATFACE

Way of Life

Code of Conduct

If you see anything different to this code or have any questions, please email help.responsible sourcing@fatface.com (this inbox is monitored in different languages). Your email will be dealt with in strict confidence.

1

Employment is Freely Chosen



2

Freedom of Association & Collective Bargaining are Respected



3

Working Conditions are Safe and Hygienic



4

Building & Fire Safe
(Unsafe buildings or hazardous equipment prohibited)



5

Child Labour Shall Not Be Used



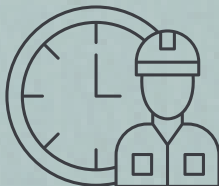
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Living Wages are Paid



7

Working Hours are Not Excessive



8

No Discrimination is Practiced



9

Regular Employment is Provided



10

Sub-contracting & Homeworking
(Illegal subcontracting/ homeworking prohibited)



11

No Harsh or Inhumane Treatment is Allowed



12

Entitlement to Work and Migrant Labour
(Only workers with the legal right to work shall be employed by supplier)



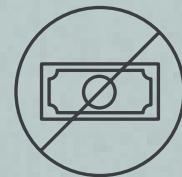
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Protecting Our Environment
(supplier meets local and national environmental laws)



14

No Bribery & Corruption



For the full guide refer to the "FatFace Way of Life"

The FatFace way of life constitutes a set of minimum standards, and we actively encourage and support our suppliers to exceed these expectations. We naturally expect our suppliers to comply with national and other applicable laws, and where the provisions of law and 'The FatFace Way of Life' address the same subject, we expect our suppliers to apply the provision which affords the greater protection.



Our code is based on relevant ILO conventions, the ETI Base Code and UN sustainable development goals.

FatFace is a full member of ETI

ASSESSING RISKS AND DELIVERING IMPROVEMENTS

As stated in our last report, our risk assessments show that the greatest risk of human rights abuses exist in our core product supply chain.

We complete a global risk assessment each year to identify salient high-risk issues that may be present in our supply chains and commit to conducting due diligence investigations in collaboration with our suppliers and manufacturing partners.

All suppliers and manufacturing partners are obliged to assess their sub-contractors and sub-suppliers, share accurate name and address information, engage in communication about assessment programmes and expectations as well as support any remediation efforts directed by FatFace.

This year, we re-mapped our core product supply chain against country specific risks highlighted by a different range of indices and data. These sources encompass the Global Slavery Index and OECD guidelines, the Sedex RADAR risk assessment tool, factory audits reports and their findings, as well as the Transparency Corruption Index. We identified the top six sourcing locations with the highest risk of modern slavery occurring in our supply chain - China, India, Cambodia, Pakistan, Bangladesh and Turkey.

Through our social responsibility programme and modern slavery risk assessment, we have identified five key salient risks and the key activities we have undertaken are as follows:

1.

SALIENT RISKS

High working Hours.

HIGH RISK COUNTRIES

China, India, Turkey, Cambodia, Bangladesh, Pakistan.

EXPLANATION

Risk of high or involuntary overtime.

ACTION TAKEN

- We do not engage with new factories that work outside of our working hour guidance.
- We conduct root cause analysis and improvement programmes at the factory to gradually improve working hours, and also assist the factory in formulating long-term plans.

NEXT STEPS

- We will continue to identify and support factories in root cause analysis and factory improvement programmes and expand our programme reach in our Tier 1 factories.
- We are investigating a "common root cause" programme to train the factories and share best practices in our two main sourcing countries, China and India.

2.

SALIENT RISKS

Temporary Workers and the use of recruitment agencies.

HIGH RISK COUNTRIES

China, Taiwan, India, Turkey.

EXPLANATION

Temporary workers may be hired in an informal way, without contracts

or paid through an intermediary. This leaves them more exposed to exploitation than being directly employed. Using recruitment agencies may leave workers vulnerable to unethical recruitment practices.

ACTION TAKEN

- We identified one instance of a recruitment fee issue and worked very closely with the factory to ensure effective remediation, from these learnings we are able to share best practice.
- We have issued a translated, illustrated code of conduct to be displayed in the factories. It is to be used as an effective training tool for workers to understand their rights and to check their understanding. Email address provided and monitored in several languages, so workers can raise any concerns to FatFace directly.

NEXT STEPS

- We will continue to monitor the risks associated with employing contract workers through our audit programme.
- We will be mapping temporary labour as part of our 2023 supply chain transparency project, so we can identify the areas of risk, this will then inform our next steps.



3.

SALIENT RISKS

Migrant and Refugee workers.

HIGH RISK COUNTRIES

Turkey.

EXPLANATION

Workers who are refugees, internal migrants or economic migrants can often have fewer rights in the workplace and less legal protection.

ACTION TAKEN

To support tier 1, we completed a qualitative tier 2 trial in Turkey where the likelihood is greater of Syrian refugees or migrants working. We did not find any evidence of this.

NEXT STEPS

- We will continue this work as part of our 2023 supply chain mapping, the results from this will inform our audit due diligence programme.

4.

SALIENT RISKS

Working conditions - risk to earthquakes, building collapse & fire.

HIGH RISK COUNTRIES

Bangladesh, Pakistan, India, Turkey.

EXPLANATION

Countries that are more prone to earthquakes, building collapse and fire.

ACTION TAKEN

- We have been a member of the RMG Sustainability council RSC (formerly Bangladesh Accord) since 2013. All Bangladesh Factories have a RSC safety inspection with a progress rate of at least 90%-Any

new Bangladesh factories have to be reviewed in line with the FatFace Way of Life and RSC, and undergo rigorous testing before they can be onboarded'--We have a specific Building Fire Clause in our FatFace Way of Life which our suppliers sign up to.

NEXT STEPS

- We are joining the Pakistan Accord in our next financial year.

5.

SALIENT RISKS

Raw Materials.

HIGH RISK COUNTRIES

China, India.

EXPLANATION

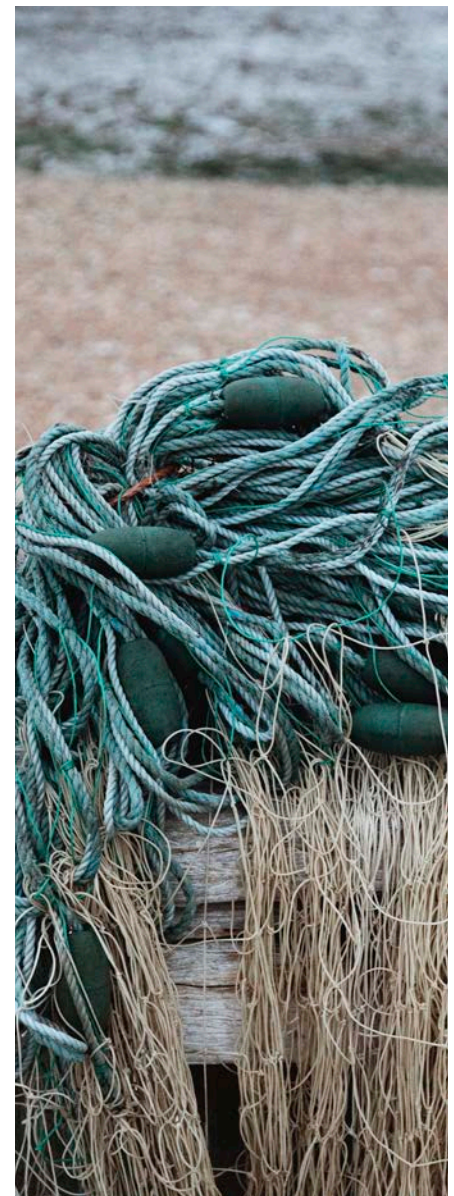
Risk of forced labour and child labour connected to specific raw materials.

ACTION TAKEN

- In our FFWOL we have prohibited cotton from Uzbekistan, Turkmenistan and all fibres from the Xinjiang Uygur Autonomous Region of China (XUAR).
 - Internal training conducted regularly so the buying and design teams are aware of the sourcing risks.
 - We mapped and checked addresses of our factories and cotton mills to ensure no sourcing from XUAR region.
 - We are working with Organic standards to increase traceability. We are certified to the OCS - Organic Content Standard (license number: CB-CUC- 1000175), which verifies organically grown content and tracks it from the source to the final product. Raw material information can be found in our ESG report.

NEXT STEPS

- Annually we will re-map our factories and cotton mills to ensure there is no sourcing from this region.
 - Reviewing software systems to support our work on traceability.
 - Reviewing the implementation of an enhanced due diligence program on forced labour relating to Uyghur Forced Labour.
 - Investigating Better Cotton's traceability solution.



SUPPLY CHAIN TRANSPARENCY

As stated in our last report, one of the key areas we recognised was a risk of Modern Slavery and Human Trafficking in our Tier 2 supply chain.

Our recent focus has been on achieving greater transparency deeper into our supply chain. In 2022, we mapped our tier 2 supply chain to gain full visibility and so we could understand our highest risks. We conducted an active trial in Turkey by auditing a sample of tier 2 factories for modern slavery and human rights risks, using our trusted audit partner The Reassurance Network (TRN).

Whilst we did not find any signs of modern slavery or human rights violations, we did take away the following reflections:

- There is a higher turnover of factories below tier 1 and it is challenging to keep track of the supply base down to this level.
- Our leverage with sub-suppliers decreases further down the supply chain.
- Tier 1 suppliers have more influence over their supply chains and must take more accountability at this level, where their influence is greater.

Based on our trial findings, this has informed our approach and methodology for 2023-2024, as we roll out tier 2 assessments to other countries. Our aim is to re-map our tier 2 sub-suppliers annually so we have better sight of a moving supply chain and we will be investigating systems to support our work.

We are planning to gather Self-Assessment Questionnaires for our tier 2 sub-suppliers which we will initially use for our risk assessment. We will then upskill our suppliers and tier 1 factories by providing bespoke in-country training for suppliers in our main sourcing countries in China, India and Turkey and provide online training for the rest of the world. This training will be multilingual, supported by in country experts The Reassurance Network (TRN), and is to help them to identify critical issues in their supply chains and to support their sub suppliers.

We will report on progress in our next Modern Slavery Statement. Despite the ongoing disruption around the globe, we continue to deliver our robust Responsible Sourcing programme, making sure

that annual due diligence 3rd party audits are in place for 92% of our first-tier factories and undertaking more in-depth Verification Assessments, Root Cause Analysis and Factory Improvement visits at 26 key sites.

As referred to in our last report, we continue to identify occasional issues that could be symptoms of modern slavery, including charges for uniforms, late payment of wages and benefits and excessive overtime. In these instances, we always investigate deeply to understand the specific issue and work with the supplier and factory to remediate as quickly as possible to address both the symptom and the root cause.

We have so far, not had any cases of factories that were exited as a result of failure to engage with our



programme and our suppliers and factories have been very cooperative in resolving any issues discovered.

Our preferred 3rd party assessment standard (Sedex Members Ethical Trade Audit (SMETA) specifically includes standards on human rights issues such as land use, community engagement and management systems activity, alongside existing human and labour rights issues such as living wages, working conditions and freely chosen employment. Most of the issues that we have encountered through the assessment of these broader human rights standards relate to management

systems and policy development.

We recognise that human rights abuses can exist within our own business (non-product operations). In our last risk assessment, we identified recruitment and the utilisation of contract labour as areas of potential risk, and we have policies in place accordingly to mitigate these risks as well as a robust recruitment process. This process includes our own due diligence, such as checking original documents such as passports and right to work documents. Where we work with recruitment agencies, we also ask for their modern slavery policy.

All our employment contracts incorporate policies designed to protect worker rights and promote a safe and fair environment to work in. These policies include our Anti-bribery and Corruption, Health & Safety, Data Protection and Privacy, and Whistleblowing Policy.

HOW WE REPORT ON MODERN SLAVERY RISKS

ACTIVE ENGAGEMENT AND SUPPORT FROM THE BUYING TEAM IS ESSENTIAL IN DRIVING THE REQUIRED IMPROVEMENTS.

We continue to analyse human rights abuses and non-compliance against our code of conduct through the implementation of FatFace's Responsible Sourcing programme. We report to our commercial leadership team every 2 months, as well as reporting to the Group Board through the annual Audit Committee.

The Responsible Sourcing Team also provide the buying teams with a regular summary of the ethical risk rating on each of their factories.

Modern slavery risk is an integral component of a site's risk rating. Where factories are rated as high risk, the reasons behind the issues are explained as well as an action plan to remediate the concerns. Active engagement and support from the buying team is essential in driving the required improvements.

As members of the Ethical Trade Initiative (ETI) we have a commitment to report publicly on our activity and we have annual progression meetings with the ETI to gain an external view and guidance on our programme. In our commitment to improve transparency, we've made the choice to publicly disclose information about all of our first-tier factories on our website. This disclosure encompasses factory addresses, product categories, and a gender based breakdown of the number of workers

at factory level. Additionally, we've shared our data on the Open Supply Hub, a collaborative supply chain mapping platform utilised by multiple retailers. We remain dedicated to maintaining this information, updating it every six months in alignment with our ongoing commitment to increased transparency.

We also published our second Environmental and Social Governance Impact Report in 2022, which gives a detailed view of activity across our whole sustainability programme, including more on our responsible sourcing work and modern slavery risks. Our latest impact report will be available in the Autumn 2023.

TRAINING AND DEVELOPMENT

We continue to raise awareness and ensure all members of the Design, Buying and Merchandising (DBM) teams participate in training that outlines the principles of our code of conduct, and the implications that potential human rights abuses can have upon our supply chain and the people in it.

Throughout the company, we've further strengthened our stance on Modern Slavery by implementing mandatory training during our annual compliance week in January. This online training module equips approximately 1,000 individuals with the ability to identify signs of modern slavery within our supply chain and across the business. Since 2018, each year we have

participated in the Better Buying programme, which is principally to evaluate the impact of our purchasing practices. Better Buying allows suppliers to anonymously rate the purchasing practices of the companies that buy their products and tells brands and retailers which practices they perform well and which could be improved. We have found this form of honest feedback extremely valuable in the past, helping to keep our dealings with suppliers fair and equitable and understanding the impact of our decisions on the workers in the supply chain.

Based on the valuable feedback we received from the Autumn 2022 results, where we achieved a 56.7% response rate, we gained

insights indicating that our strongest area lay in the management of the purchasing process. However, it also highlighted the need to redirect our focus towards sourcing and order placement, which includes recognising and rewarding suppliers for their well-run factories. We are currently examining these findings internally to determine our next steps. What resonated most prominently was the realisation that, since the pandemic, we haven't had the opportunity to physically meet with our suppliers as a group. Reconnecting, reuniting and celebrating our long-standing partnerships became a priority.

Therefore, we have planned a supplier conference for July 2023, which will span three days and involve our key partners. This event presents an excellent opportunity for all our teams to meet in person. It also provides the ideal platform to update our suppliers on our ongoing supply chain transparency project and gather firsthand, valuable feedback from our partners.

Given our concentrated efforts on organising the supplier conference in the UK, we have decided not to participate in the Better Buying survey in Autumn 2023. Our objective, following the supplier conference and considering the insights from the previous year, is to formulate focused actions for this financial year.





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