

MODERN SLAVERY ACT STATEMENT 2019-2020



BESTSELLER A/S

BESTSELLER®

This statement has been published in accordance with the UK Modern Slavery Act (2015). It outlines the measures BESTSELLER A/S (herein after referred to as BESTSELLER) has taken to address modern slavery and human trafficking within our business and supply chains during the financial year 1 August, 2019 - 1 July, 2020. We remain committed to prevent, mitigate and, where necessary, remediate adverse impacts on human rights including all forms of forced labour. As part of this commitment, we work with our stakeholders to regularly assess the impact of our business on human rights enjoyment and constantly seek ways to secure and further develop our efforts and practices.

1. ORGANISATION STRUCTURE AND SUPPLY CHAIN

BESTSELLER is an international, family-owned fashion company with a range of more than 20 individual fashion brands. BESTSELLER provides fashion clothing and accessories for women, men, teenagers and children. Products are marketed and sold under a variety of brands, such as JACK & JONES, JUNAROSE, JACQUELINE DE YONG, MAMALICIOUS, NAME IT, NOISY MAY, OBJECT COLLECTORS ITEM, ONLY, ONLY & SONS, PIECES, SELECTED, VERO MODA, VILA CLOTHES and Y.A.S.

BESTSELLER has its headquarters in Denmark and its operations in the UK are carried out through BESTSELLER WHOLESALE UK Ltd and BESTSELLER Retail UK Ltd.

BESTSELLER brands and products are available online and in approximately 2,750 branded chain stores, 15,000 multi-brand and in department stores across Europe, The Middle East, North America, Latin America, Australia and India. BESTSELLER has no ownership interests in the production chain but cooperates with selected suppliers, primarily in China, India, Bangladesh, Turkey and Italy. BESTSELLER has more than 17,000 dedicated BESTSELLER colleagues around the world, and cultural differences are considered an advantage promoting quality, good results and strong values.

Strategic decisions on sustainability-related topics are made in collaboration between BESTSELLER's brands, key functions and executive management. Launched in December 2018, BESTSELLER's sustainability strategy, Fashion FWD, has the ultimate ambition of bringing Fashion FWD until we are climate positive, fair for all and circular by design. We believe in acting responsibly as a business and promoting a decent workplace through out the whole value chain.

By end 2020, we worked with 386 suppliers and 653 factories in 24 countries, primarily in Asia and Europe. We sourced from 24 different countries and we have sourcing offices in five main production countries.

More than 35 employees globally work with sustainability and sustainable sourcing. In 2020, 30 of these worked directly at the local level to ensure that BESTSELLER's suppliers comply with our commitment to advance human/labour rights and social development.

BESTSELLER continues to create more transparency in our supply chain to prevent, mitigate and address risks and to promote positive change. We publish an updated version of all our on-boarded Tier 1 manufacturing factories (Cut-Make-Trim) of apparel, footwear and accessories twice a year, including their name, address, product type and number of workers. Review our updated factory list [here](#).

2. POLICIES AND GOVERNANCE

BESTSELLER's [Supplier Code of Conduct](#) stipulates that BESTSELLER does not tolerate any form of modern slavery or human trafficking in any parts of our own business and at the partners that we work with. Our Code serves as the overarching framework to the behaviour and conduct we hold and expect from our colleagues, customers, suppliers and partners, and it is underpinned by several policies that help us mitigate the risks associated with modern slavery:

- Our [Human Rights Policy](#) articulates BESTSELLER's commitment to the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the

United Nations Guiding Principles on Business and Human Rights (UNGPs).

- Our [Child Labour Policy](#) outlines our commitment to preventing child labour and the procedure for handling child labour, should that be found.
- Our [Homeworking Policy](#) outlines our commitment to providing legal contracts and decent working conditions to homeworkers.
- Our [Illegal Workers Policy](#) outlines the general procedure for handling illegal workers (and refugee workers in Turkey) to ensure workers' rights are legally protected, including not tolerating or accepting any kind of forced or prison labour.
- Our [Policy on Sourcing Regions of Particular Human Rights Focus](#) outlines our increased due diligence in – and in some cases ban of – regions of countries associated with actual or potential human rights abuses. During the financial year 2019–2020, the policy has addressed five regions/countries: Xinjiang, Myanmar, North Korea, Uzbekistan and Turkmenistan.
- Our [internal Code of Ethics](#) outlines our responsibility as employees to respect all internationally recognised human rights and our right and duty to report any breaches to those rights through internal channels as well as through BESTSELLER's Whistleblower Function where employees can choose to report breaches anonymously. Our suppliers are also presented with a version of the Code of Ethics which reflects the same principles. This is part of our general supplier requirements.
- Finally, when working to identify potential or actual modern slavery/forced labour issues in BESTSELLER's value chain, we are also informed by the [11 indicators](#) of Forced Labour defined by the ILO.

3. HUMAN RIGHTS RISK ASSESSMENT AND DUE DILIGENCE PROCESS

BESTSELLER's latest comprehensive Human Rights Risk Assessment was conducted in 2018 in an integrated process with our Environmental Risk Assessment. The assessment sought to identify BESTSELLER's potential and actual adverse impacts on human rights enjoyment of people working in our value chain as well as in the communities and societies affected by our business. The assessment was facilitated by a reputable external consultancy company and draws on inputs from our existing supply chain programme as well as inputs from 100+ internal and external stakeholders (including BESTSELLER and supply chain employees and managers, rights holders from local communities, subject matter experts, industry associations, trade unions, NGOs, national resource centres and academics).

The long list of potential adverse human rights risks identified points towards our supply chain and includes issues covered by the eight fundamental ILO conventions. With ILO conventions 29 and 105 targeting forced labour directly, we consider breaches of the remaining conventions as indicators of possible forced labour. Besides the salient risks associated with the core ILO conventions, the process identified three additional salient issues in our supply chain, which can also be considered as indicators of potential forced labour (fire and building safety, living wages and resilient communities). Finally, the assessment confirmed the relevance of our ongoing commitment to positively advance the rights of our own employees and our focus on advancing BESTSELLER's responsible business practices.

HUMAN RIGHTS AT BESTSELLER

Salient issues in our Supply Chain	Additional internal focus areas	Supporting Business Practices
ILO's eight core conventions (info box)	Right to health and wellbeing*	Responsible marketing/right to privacy*
Fire and building safety	Right to education/employability*	Bribery and anti-corruption*
Living wages	Freedom from discrimination*	Product safety*
Resilient sourcing communities		

* prioritised Human Rights issues (non-salient)

BESTSELLER's main vehicle to prevent and mitigate adverse human rights impacts is our comprehensive "Factory Standards Programme". It addresses human and labour rights issues related to our supply chain, including those covered by the eight fundamental ILO conventions. The programme is operated by our Responsible Sourcing

Department with 35 BESTSELLER employees working full time on the programme. The programme assesses all tier 1 suppliers based on our Supplier's Code of Conduct (minimum requirements) and defines our ethical aspirations for the remaining three tiers of the fashion supply chain. Assessments are carried out by our local teams in China, India, Bangladesh, Pakistan, Turkey, Myanmar, Cambodia and Italy. Other countries are primarily covered by 3rd-party assessors. Tier 1 factories must be approved by BESTSELLER HQ before they can commence production.

The list of salient Human Rights issues is constantly evolving and is regularly being compared with evidence and trends identified through the Factory Standards and Social Development Programmes, our engagement in industry initiatives and other stakeholder dialogue. The next comprehensive Human Rights Impact Assessment process is scheduled for 2021.

4. EFFECTIVENESS OF STEPS BEING TAKEN

Supplier assessments and audits are important tools to confirm compliance and identify breaches to our Code of Conduct. Nonetheless, the Factory Standards Programme's real value lies in the close collaboration between suppliers and BESTSELLER's experts operating from our field offices. It takes joint and comprehensive dedication, efforts and investments to reach and maintain the ethical level BESTSELLER requires from its supply chain partners. Suppliers are on their side rewarded through more efficient operations, more productive employees and closer ties with BESTSELLER and potentially other customers. Read more about the Factory Standards Programme and our [2019 Sustainability Report](#).

Internally, BESTSELLER promotes a non-discriminating workplace and works to embed human rights across all parts of our business. All colleagues of BESTSELLER are encouraged to raise concerns about perceived breaches of our Code of Ethics or other BESTSELLER policies, or violations of laws and regulations. Colleagues of BESTSELLER can choose to raise such concerns to their management or to the local PEOPLE department. As a last resort, colleagues can choose to report via our internal whistleblower function. In the financial year 2019-2020, none of the concerns raised related to forced labour violations.

To advance fire and building safety, living wages and resilient communities in our supply chain, BESTSELLER has initiated concrete initiatives and defined timebound goals relating to each of the topics. You can read more about our targets, efforts and results in our [2019 Sustainability Report](#).

During the financial year 2019-2020, two major incidents disrupted our systematic efforts to identify and manage our human rights risks, namely the outbreak of the COVID-19 pandemic and the situation in Xinjiang Uyghur Autonomous Region (XUAR) in China. COVID-19 has had vast consequences for the fashion industry and its supply chain with workers and communities being negatively affected by the disease and the breakdown of global supply chains. The outbreak of COVID-19 has left workers and communities in a vulnerable situation. Efforts to mitigate the consequences of COVID-19 in BESTSELLER's supply chain are described in our [2019 Sustainability Report](#).

Research, governments and latest UN Special Procedures have highlighted alleged human rights violations in XUAR committed against Uyghurs and other ethnic minorities. During the financial year 2019-2020, BESTSELLER worked directly with one reputable business partner, who operates a spinnery in the region. Our due diligence confirmed that employment practices at the spinnery complied with its labour and human rights obligations. Since the end of the reporting period, we have decided to end our collaboration with the spinnery. Read more on BESTSELLER's policy on XUAR [here](#).

5. INDUSTRY COLLABORATION AND CAPACITY BUILDING

Recognising that salient human and labour rights issues – including forced labour – in the fashion supply chain are often systemic by nature, BESTSELLER engages in a range of collaborative initiatives to help empower workers improve their working conditions and livelihood throughout all tiers of our value chain. Find a list of some of the most promising initiatives in our [2019 Sustainability Report](#).

One such initiative is the HERproject, which aims to empower women in our supply chain and ultimately counter their vulnerability to abuse. Empowered women and dignified work are critical to better business – business that is more ethical and more productive. Through the HERproject we work together with our suppliers, local partners and not least the women in our supply chain to help create and implement workplace-based interventions on health, financial inclusion and gender equality. We believe that when women have enhanced ability and agency to take charge of their own lives – along with fair, dignified and supportive work environments – they become less

vulnerable and more powerful agents of change. By the end of the reporting period, more than 51,000 women in BESTSELLER's supply chain have benefitted from the project.

6. CONTINUOUS ACTIONS TO SUPPORT OUR EFFORTS

BESTSELLER acknowledges its responsibility to respect human rights, including ensuring that our activities do not cause or contribute to modern slavery or human trafficking. We continue our ongoing efforts to identify and – when necessary – cease, prevent and mitigate potential and actual risks throughout our value chain.

THIS STATEMENT COVERS THE FINANCIAL YEAR OF 2019-2020 AND HAS BEEN APPROVED BY THE EXECUTIVE TEAM OF BESTSELLER A/S.

For and on behalf of BESTSELLER

Anders Holch Povlsen
CEO, BESTSELLER A/S

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