

**MODERN SLAVERY ACT
STATEMENT
2020-2021**



BESTSELLER A/S

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This statement has been published in accordance with the UK Modern Slavery Act. 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 2020 - 1 July 2021. 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 2,600 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, Pakistan, Myanmar and Turkey. 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. 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 in promoting a decent workplace – also for the people who grow raw materials or produce our consumer goods.

By end 2021, we worked with 381 suppliers and 748 factories, primarily in Asia and Europe. We sourced from 22 countries, and we have responsible sourcing teams operating out of our offices in China, India, Bangladesh, Pakistan, Myanmar and Turkey. More than 35 employees globally work with 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 deliver 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 every two months, 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 for the behaviour and conduct we expect from colleagues, customers, suppliers and partners, and it is supported 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 commitments and procedures to prevent and handle child labour issues
- 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. This includes no tolerance 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.
- 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.
- 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. All 11 indicators are integrated in our Factory Standards Program.

3. HUMAN RIGHTS RISK ASSESSMENT AND DUE DILIGENCE PROCESS

At BESTSELLER we continuously evaluate our negative as well as positive impacts on the human rights enjoyment of people affected by our operations. Every engagement and visit to our suppliers, engagement in stakeholder dialogue and internal effort from our people department all feed into our assessment of how we deliver on our commitment to respect human rights. Formal risk assessments are conducted twice a year and deep dives are carried out at regular intervals.

BESTSELLER's latest comprehensive Human Rights Risk Assessment was conducted in an integrated process with our Environmental Risk Assessment. The findings of two assessments were important building blocks in the formulation of BESTSELLER's Sustainability Strategy [Fashion FWD](#). This assessment sought to identify BESTSELLER's potential and actual adverse impacts on human rights enjoyment of the people working in our value chain as well as in the communities and societies affected by our business. The assessment was facilitated by an external expert consultancy company and draws on inputs from our existing supply chain programmes 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 responsible business practices.

HUMAN RIGHTS AT BESTSELLER

Salient issues in our Supply Chain	Additional internal focus areas	Supporting Business Practices
ILO's core conventions	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 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 and their supporting units based on our Supplier's Code of Conduct (minimum requirements). Assessments are carried out by our local teams and external experts. 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 list of salient human rights issues is further integrated into our corporate wide risk management process and reviewed biannually. Finally, within the next financial year BESTSELLER expect to launch a new "Double Materiality Assessment" to ensure that we remain updated on our salient human rights - and environmental - issues.

4. EFFECTIVENESS OF STEPS BEING TAKEN

Supplier assessments and audits are important tools to confirm compliance and identify breaches to our Supplier's 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 as well as closer ties with BESTSELLER and potentially to other customers. A more updated description of our Factory Standards and Social Impact Programs including actions and results will be available in our Sustainability Report 2021, expected to be released in early spring 2022.

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 2020-2021, 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 [2020 Sustainability Report](#).

During the financial year 2020-2021, 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, exposing them to unethical business practices including forced labour. Efforts to mitigate the consequences of COVID-19 in BESTSELLER's supply chain are further described in our [2019 Sustainability Report as well as in our 2020 Sustainability Report](#).

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](#), and [2020 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 100,000 women in BESTSELLER's supply chain have benefitted from the project.

Finally, BESTSELLER collaborates with industry peers, external experts and our supply chain partners to counter one of the industry's largest shortcomings, namely the low level of transparency and traceability of the commodities used across the industry. This joint effort is a long term engagement where industry wide solutions cannot be expected to be found overnight. BESTSELLER is fully committed to be part of forging a adequate and sustainable solutions and will communicate on our progress over the years to come.

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 2020-2021 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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