

WHISTLES

Whistles Modern Slavery Act Transparency Statement

Financial year 2018/2019

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015. It sets out the steps Whistles has taken during the 2018/2019 financial year (the “Year”) to prevent slavery and human trafficking from taking place in our supply chains or in any part of our business, and the additional steps we plan to take in 2019.

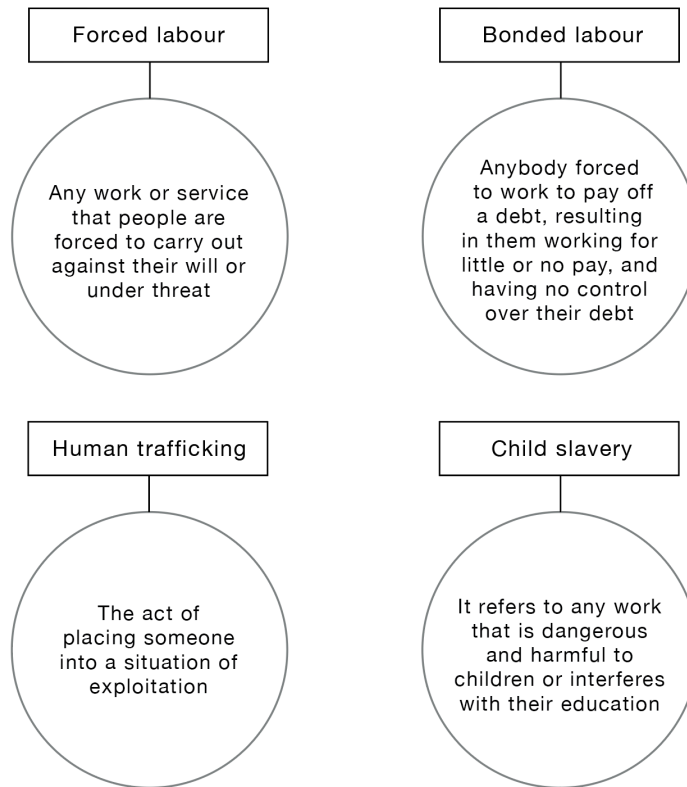
Modern Slavery

About 150 years after most countries banned slavery millions of men, women and children are still enslaved. Contemporary slavery, as defined in the 1956 UN supplementary convention, takes many forms, including debt bondage, servitude, child slavery, forced labour and human trafficking. Anti Slavery International defines Modern Slavery as exploitative labour that places one person in the control of another. Slavery thrives on every continent and in almost every country, and is still prevalent in the fashion industry and other labour-intensive industries.

Modern Slavery is a violation of human rights where victims are denied their basic rights to dignity, freedom and security. Victims are trapped in a situation where they are often powerless and vulnerable, and therefore unable to leave because they are subject to deception, mental and/or physical abuse, threats and punishment.

Whistles is committed to respecting, protecting and advocating for the human rights of all the stakeholders who are involved in our own operations. As such we accept that is our responsibility to support transparency and integrity, to be proactive in resolving problems and to collaborate with others to protect the human and labour rights of workers.

What is Modern Slavery?



To help us identify better what to look for, we have broken down Modern Slavery into four key areas:

Forced labour

The International Labour Organisation (ILO) defines forced or compulsory labour as “all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.” This means any work or service that people are forced to carry out against their will or under threat.

Human trafficking

Anti-Slavery International defines human trafficking as the “recruitment, harbouring or transporting of people into a situation of exploitation through the use of violence, deception or coercion and forced to work against their will.” In other words, it’s the act of placing someone into a situation of exploitation. Often this involves moving someone across borders, however human trafficking can also occur within a single country.

Bonded labour

Also known as ‘debt bondage’ or ‘debt slavery’, this is the most prevalent form of modern slavery. It refers to anybody forced to work to pay off a debt, resulting in them working for little or no pay, and having no control over their debt. For example, labourers might borrow money to pay their traffickers for promised work overseas. When they arrive, their passports are confiscated by the traffickers and they cannot leave until they ‘pay off’ the money.

Child slavery

This occurs when a child or a child’s labour is exploited for someone else’s gain. It can include child trafficking and child domestic slavery. The minimum age can change depending on the kind of work, but it refers to any work that is dangerous and harmful to children, or interferes with their education

Some key facts

Anti-Slavery International estimates around 21 million people are involved in forced labour at any given time. Below is a summary of some key statistics:

- 20.9 million people are in modern slavery across the world
- 5.5 million children are in slavery across the world
- 11.7 million people are in slavery in the Asia-Pacific region, mostly in bonded labour
- 3.7million people are in slavery in Africa
- 1.6 million people are in slavery in Latin America
- 1.5 million people are in slavery in developed economies
- 14.2 million slavery victims are exploited in economic activities
- 4.5 million people are in forced into sexual exploitation
- 98% of people trafficked for sexual exploitation are women and girls
- 2.2 million people in slavery are exploited by governments

Who does modern slavery affect?

Modern Slavery exists anywhere in the worlds and can affect people of any gender, age or race. Modern slavery most commonly affects people who are vulnerable and at risk of being taken advantage of – like someone living in poverty, or someone from a community that is discriminated against (for example migrant workers). A typical scenario features someone who is enticed to accept a job offer abroad that turns out to be very different to that what was promised and then remain bonded to the organisers of the scheme, often referred to as ‘gangmasters’.

Why is it an issue?

A report by the [Walk Free Foundation](#), has found that the fashion industry contributes more money toward modern slavery than any other sector apart from tech. The lack of transparency and traceability across the fashion global supply chains is a major challenge. This means that it's extremely difficult to know how many people are working directly or indirectly in fashion, and the conditions that they are working in.

Modern slavery takes place at different stages of the supply chain, and across all industry sectors. In labour-intensive industries such as fashion, products are touched by many pairs of hands before they reach final consumers. While Tier 1 factories are often audited in long supply chains, many secondary tiers are not. This makes it difficult to assess with certainty that modern slavery is not present.

Modern slavery in the global context

International NGOs

Non-governmental organisations (NGOs) have a big impact on Modern Slavery legislation and awareness. They provide research and data about the current impacts of modern slavery, helping businesses and governments to take action and manage risk.

Our partner Anti Slavery International is the world's oldest anti-slavery charity, formed in 1839. They advise governments on legislation and were part of the development of some of the world's major slavery laws. They work with us to help identify slavery in global supply chains by advising on the best ways to stop slavery practices.

Whistles also refers to the Global Slavery Index and its interactive data maps, tools that lists countries according to the number of people in Modern Slavery, and analyses government action in response to this. It's been created by the Walk Free Foundation, whose mission is to end slavery in all forms.

Global Legislation

Modern Slavery Act legislation has been rapidly spreading right across the world as demand grows for companies to publicly disclose their efforts to address slavery and human trafficking in their supply chains. As well as the UK Modern Slavery Act (see section 5.7 for further information), global legislation includes:

- The Modern Slavery Act 2018 ('New South Wales Act') and the Modern Slavery Bill 2018 ('Commonwealth Bill') in Australia 8
- The 2017 Hong Kong Bill
- The 2014 Singapore Prevention of Human Trafficking Act

We expect more countries to follow the UK's lead in setting up similar legislation to curb Modern Slavery, however, it is worth pointing out that international provision for decent labour standards have already been outlined and legislated in most countries around the world.

About TFG

Headquartered in London, TFG London is owned by The Foschini Group Limited ("TFG"), a leading publicly listed South African retail group. TFG first entered the UK market (forming TFG London) through the acquisition of the premium womenswear brand Phase Eight in January 2015. Since then the premium womenswear brands Whistles, Hobbs, Damsel in a Dress and Studio 8 have been added to the Group. TFG London is now positioned as the owner of three of the most successful premium / affordable luxury womenswear brands in the UK. Each brand focuses on a different customer and style, from the contemporary designs at Whistles to understated British elegance at Hobbs and exclusive occasion and daywear collections at Phase Eight with 200 UK solus stores, 450 UK concessions and 250 International stores, concessions & online partners.

TFG London employes 141 people who work across all brands, both in head office and retail concessions.

Location	
Head office	Number of Employees
Retail concessions	25
	115

Due to supply chain complexities, each brand publishes their own Modern Slavery statement, outlining the nature of their operations and supply chains, providing an overview of the steps they have taken to combat Modern Slavery.

About Whistles

Our Business Organisation

Whistles is a multi-channel fashion brand based in London, selling apparel, footwear and accessories for the contemporary woman.

Whistles is based in the UK, with a head office in London and additional customer services team in Rochester. The Whistles distribution centre is currently located in Milton Keynes.

During this financial year we operated in 11 territories across the globe through wholesale, concessions, solus sites, franchise partners and online. We employ 764 people, with 722 employees in the UK and ROI across our 46 UK and 2 international stores and 84 UK and 37 international concessions, 111 in Head Office and 42 in the USA.

Location	Number of employees
Head Office - London	111
Stores (across the UK)	147
Concessions (across the UK)	431
Stores – Ireland	33
Stores – US	42

Our product is manufactured across 16 countries.

We have an active supply base of 118 manufacturing sites:

- 48 Suppliers who manufacture across 87 factories
- 10 agents who manufacturer across 27 factories
(1 of these being our licensee eyewear supplier/factory)
- 4 third party brands who manufacture out of 4 factories which and sell in store and online.

Our top 5 sourcing countries are China, Portugal, Turkey, Mauritius and India.



Our Supply Chain

Our supply chain is divided into two channels:

- Products for re-sale online and in stores, including Whistles branded products and other third party brands' products.
- Non stock items and services, including outsourced customer deliveries, logistics, IT, cleaning, customer care and catering.

We design our own brand's products in our head office in London which are manufactured by third party factories.

The sourcing department (comprised of Technical, Buying, Merchandising and Design) manages the Whistles brand supply chain. The CSR and Sustainability Executive sits within this department to ensure that product and raw material suppliers are selected based on ethical and sustainable credentials together with commercial criteria.

Whistles non-stock products and services are managed by our Procurement Team, supported by the CSR and Sustainability Team, as well as the Legal Team.

Whistles has an established Modern Slavery Working Group, set up to drive the modern slavery agenda forward across all departments, looking at both supply chain channels. The modern slavery working group carries out a risk assessment across our manufacturers, non-stock suppliers, and Whistles direct employers. Whistles supply chain is defined as follows:

Tier	Definition	Example	Status
1	Main Production Sites	Factory that cuts, makes and trims Whistles products and ships to Whistles	Fully mapped
2	Primary Process Subcontractors	Provider of one or more processes e.g. stitching, cutting, packing, QC and shipping to Whistles	Fully mapped
3	Secondary Process Subcontractors	Provider of one or more processes e.g. stitching, cutting, packing, QC and shipping to Whistles	Partially mapped
4	Fabric and Components	Fabric mills, tanneries, hardware and trims	Partially mapped
5	Raw Materials	Textile fibres, natural and synthetic materials	Not mapped

Our Policies

As part of our ever evolving ethical trading strategy based on the UN Guiding Principles on Business and Human Rights (UNGPs) and the ETI Human Rights Due Diligence Framework, we have developed our operational policies with the view of respecting, protecting and remedying the human and labour rights of all that work on our behalf.

Whistles core policies relating to our commitment to adopting the UNGPs, to benefit all those who work on behalf of Whistles are our Supplier Code of Conduct, the Migrant Workers Employment Policy and Implementation Guidelines and the Young Worker and Child Labour Policy.

Our Supplier Code of Conduct (“Code of Conduct”) is aligned with the Ethical Trading Initiative (“ETI”) base code, with elements of the SAI SA1000 Standard:2014. It outlines the minimum social and environmental standards we expect each factory to meet and our expectations regarding the conditions in which our products should be manufactured.

Our Migrant Workers Employment Policy and Implementation Guidelines set out the supplier requirement to protect, respect and remedy the rights and welfare of migrant and contract workers, some of the most vulnerable to exploitation and modern slavery. Within this policy, Whistles endorses the Employer Pays Principle, which reflects the Dhaka Principles for Migration with Dignity.

Our Young Worker and Child Labour Policy prohibits the recruitment of child workers in our supply chains and outlines remediation guidelines.

Finally other policies that are also related to the prevention of modern slavery are our Anti Bribery Policy, Whistleblowing Policy, Equal Opportunity Policy and our Compliance Handbook.

Due Diligence

Our Governance

The Managing Director and Whistles Board of Directors are responsible for ensuring Whistles meets its human rights responsibilities. They are supported by the CSR and Sustainability Executive and the Sourcing team.

Our Risk Assessment and Management

Whistles has identified the key elements that pose a risk of modern slavery in our supply chain. Modern Slavery depends on multiple factors, some of which are beyond our control (i.e. external factors). However many factors have to do with our own business model and practices

External Factors

- Poverty
- Lack of well paid, safe jobs
- Discrimination against vulnerable people and minority groups
- Poor local laws and lack of enforcement
- Corruption of government agencies, businesses and collusion
- No regulation of recruitment agencies

Business Models

- Short lead times
- Unrealistic expectations
- Speed and price precedes ethical standards
- Delayed payments
- Sub-contracting
- Extended and complex employment relationships
- Use of labour recruiters and brokers

External factors are risks that we cannot control, such as poverty and corruption. We are aware that we may not be able to respond to them, however wherever possible we try to gain an understanding of what can contribute to Modern Slavery.

The Global Slavery Index has found that there are two main key risk drivers:

- Repressive regimes where the government puts population to work (e.g. North Korea)
- Conflict situations where laws, social structures, and normal protection systems are not working (e.g. the refugee crisis in Syria)

At the same time our business model can have a direct effect on increasing the risk of modern slavery occurring in our supply chain.

For this very reason in 2018 Whistles joined Better Buying in order to voluntarily scrutinise our own purchasing practices to assess how our business model might impact our supply chain partners.

- We know that unrealistic expectations about lead times can cause suppliers to slip on their ethical standards in order to meet high-pressure expectations from clients. As such we talk with them to understand what deadlines are actually possible to meet.
- We ensure our Ethical Trade Policy is prioritised over any cuts on delivery speed and price and align our procurement practices in line with these standards.
- We discuss payment schedules and margins with suppliers, and ensure we make payments on time.
- We ask them about their use of sub-contractors, recruiters and brokers in order to have visibility of our supply chain.

We believe that business model related factors must be tackled hand-in-hand with our suppliers. It must be a joint effort, where parties involved trust each other and reciprocate with honesty and openness.

In addition we are conducting analysis of areas of our business where there is migrant labour, high presence of refugees, young workers and a risk of the use of child labour, contract and temporary workers, women workers, outsourced recruitment agencies.

It's always possible that suppliers have cases of modern slavery in their supply chain but they may not realise what it is.

We refer to the [UK Gangmasters and Labour Abuse Authority \(GLA\)](#) that has a detailed list of things to watch out for among the workers in our operations and supply chain. These include indicators across:

- Restricted freedom
- Behaviour
- Working conditions
- Accommodation
- Finances
- Appearance

We recognise that certain countries within our own operations may have one or more of these modern slavery risks and as such we have divided them into three different categories of high, medium and low risk and allocated appropriate priorities. This differentiation was based upon assessing causes and contribution, direct and indirect impacts as well as level and influence.

Our priority focus is currently on product manufacture. As such we have developed specific policies and tools which allow us to investigate further where issues arise.

As part of our risk assessment and management, we partner with specialists on the ground to further investigations with our suppliers or to raise awareness of potential risks. At the same time Whistles values its partnerships with key NGOs, suppliers, other brands and multi stakeholder initiatives, working together on pre-competitive ground to find a common solution to salient issues.

Mapping our supply chain is an essential piece of work in managing and mitigating risks. In 2016 we started the mapping of our supply chain, which allowed us to gain visibility of all our tier 1 suppliers. Although we acknowledge that it is in the nature of supply chains to be continuously evolving, we are working towards establishing long lasting relationships with our existing suppliers and the aim for 2019 is to focus on continuing to map our supply base beyond Tier 1.

Actions taken

During our due diligence process we have identified key modern slavery risks where we directed our attention.

Modern Slavery Risk	Definition of Issue	Steps Taken	Whistles Commitment
Migrant Labour	<p>Migrant workers paying recruitment fees might be trapped in bonded labour and be subjected to substandard employment terms</p> <p>Recruitment agencies are often in between the employer and the worker, leaving the worker at risk of deceptive or coercive recruitment practices</p> <p>It is often difficult for migrant workers to understand their rights and terms of employment</p> <p>Countries of highest risk for Whistles are: Mauritius, China and Turkey</p>	<p>Developed our Migrant Workers Employment Policy and Implementation Guidelines</p> <p>Conducted an extensive impact assessment of our Mauritian factory</p> <p>Supported suppliers in implementing the ‘employer pays principle’ according to which no worker should pay for the cost of recruitment.</p> <p>Joined ETI Mauritius Migrant Labour caucus group</p> <p>Lobbied Mauritian and Bangladeshi governments to address migrant worker protection within government-to-government agreement.</p> <p>Participated on the event ‘Migrant Workers: Driving Collaborative Approaches Towards Responsible Recruitment’ in Mauritius, bringing together key stakeholders to discuss challenges in managing labour migration, and agree on a common framework for improving worker protection in</p>	<p>Further our commitment to map and carry out a risk assessment of migrant labour across our supply chain</p> <p>Revise Whistles Migrant and Contract Worker Policy to include further detail on ethical recruitment, remediation, and guidance for implementation across high risk regions and business operations.</p> <p>Continue to lobby the Bangladeshi and Mauritian governments regarding a fair migration corridor between the two countries.</p> <p>Identify and collaborate with specialist NGOs to further our migrant labour programme</p> <p>Continue engagement with ETI Mauritius Working Group to deliver roadmap of activities agreed at multi-stakeholder event.</p>
Refugee Labour	<p>Refugees are particularly vulnerable to exploitation and trafficking, as well as forced labour and debt bondage</p> <p>Often they don’t have access to legal aid or support on the ground, making them more vulnerable to exploitation</p> <p>We identified our main risk in Turkey</p>	<p>Participated in ETI working group on Business and Human Rights and ETI Turkey Platform Steering Group, to develop a robust framework on exploitation and discrimination of refugees in Turkey, looking at issues such as purchasing practices, social dialogue and business and human rights</p>	<p>Continue to participate in ETI Turkey Working groups</p> <p>Continue to support suppliers to provide decent employment opportunities for Syrian refugees.</p> <p>Established links between factories and local NGO’s to facilitate the recruitment of Syrian workers into our supply chain.</p> <p>Identify and collaborate with specialist NGO to further our Turkey country programme and provide awareness training to our suppliers</p>

<p>Child Labour and Young Workers</p>	<p>Children and Young Workers are more vulnerable to exploitation and contemporary forms of modern slavery, also due to lack of robust HR practices to ensure their age</p> <p>Countries of risk identified: Turkey and India</p>	<p>Added robustness to our Child Labour and Young Worker policy and communicated this to all our suppliers</p>	<p>Continue to participate in ETI Turkey Working groups</p> <p>Identify and collaborate with specialist NGO to further our Turkey country programme and provide awareness training to our suppliers</p> <p>Conduct further risk assessment of our supply chain to understand where hot spots for child labour exist and the type of unit</p> <p>Build our regional capacity in high risk countries, including India and China.</p> <p>Build local NGO partnerships in other high risk countries in order to address root causes of child labour and deliver remediation programme.</p>
<p>Contract and Agency Workers</p>	<p>There is insecurity in the status of contract workers, which leaves them more vulnerable to exploitation</p> <p>Recruitment agencies create an additional layer between workers and the employer and don't guarantee a great deal of transparency, as well as potentially exposing workers to exploitative practices</p> <p>Areas of risk identified are Turkey, India and UK</p>	<p>Developed our Migrant Workers Employment Policy and Implementation Guidelines</p> <p>Developed a modern slavery risk assessment for our supply chain and our distribution centre</p> <p>Conducted contract, agency and temporary worker risk assessment across our top ten sourcing regions.</p> <p>Collaborated with a leading NGO to develop training programmes on modern slavery for our DC</p>	<p>Further our risk assessment of supply chain to identify where other potential risks lie, including home workers</p> <p>Develop risk mitigation strategy for contract and agency labour in our supply chain.</p> <p>Continue our collaboration with leading NGO to extend awareness to our supply chain</p>
<p>Female Workers</p>	<p>Women are particularly vulnerable to exploitation, human trafficking and bonded labour</p> <p>Areas of risk identified are all our sourcing regions</p>	<p>Participated in a series of ETI learning events to further develop understanding and share practical examples of how gender equality can be integrated into an ethical trade programme.</p> <p>Started applying a gender lens to human rights due diligence by initiating a gender mapping exercise of our supply chain to identify hotspots</p>	<p>Prioritise areas of focus, stakeholder engagement especially with suppliers, workers, local representatives, NGOs</p> <p>Establishing the right partnerships to support us with this work to ensure women workers' voices are heard</p>

<p>Purchasing Practices</p>	<p>Purchasing practices can prevent supplier compliance with company codes of conduct and put at risk the lives and dignity of workers in supply chains. While poor purchasing practices have led to many problems, including child labour and employee retrenchment, many of their negative effects fall into four categories:</p> <p>Failure to pay wages and benefits required by law and buyers' codes of conduct</p> <p>Use of excessive overtime, some of which may be forced</p> <p>Unauthorized subcontracting to unsafe facilities with poor working conditions</p> <p>Increase use of temporary labour making employment more precarious</p>	<p>Voluntarily joined Better Buying, a global initiative that provides retailers, brands, and suppliers a cloud-based platform to obtain data-driven insights into purchasing activities. Better Buying's transparency fosters sustainable partnerships and mutually beneficial financial results and other outcomes.</p> <p>Anonymous supplier ratings of buyer purchasing practices are aggregated, scored, and made available to the participating retailers, brands, and suppliers with the goal of accelerating change and industry-wide improvements across supply chains.</p> <p>Benefited from the Better Buying Responsible Purchasing Workshop. The objective of the workshop was to raise awareness on the link between purchasing practices and labour standards in our supply chain and to develop a strategy and action plan.</p>	<p>Setting up a purchasing practices taskforce to take forward the suggestions and recommendations that emerged from the workshop</p> <p>Redrafting the Job Descriptions and KPIs for buyers to ensure that ethical trade commitments are included in their performance metrics</p> <p>Reviewing our Terms and Conditions to ensure they are aligned with our values and standards</p> <p>Exploring developing a Buyers code of conduct to match the suppliers code of conduct.</p>
<p>Non-Stock Suppliers</p>	<p>Whistles recognises that it has a responsibility, and an opportunity, to embed ethical purchasing practices to include non-stock suppliers of goods and services.</p>	<p>We are mapping and conducting a risk assessment of our top suppliers of goods and services, to include freight handling, distribution, order fulfilment and returns processing.</p>	<p>We will prioritise the highest risk suppliers according to spend, industry, geography and known ethical risks and send them a self-assessment questionnaire to help gather further information on their employment practices and ethical standards.</p> <p>We will develop a roadmap to ensure that our highest risk sites are monitored on a regular basis</p>

Training

The Modern Slavery Act has been an opportunity to embed a greater understanding of human rights within our product supply chain and to extend the awareness of the issue internally across departments. All of our heads of departments are continuously briefed, and engage in regular discussions on human rights and modern slavery through our Modern Slavery working group. We brought on board our distribution centre to be part of the wider discussion.

We have developed a comprehensive training programme for Buying and Merchandising designed to improve our purchasing practices. The training covered cost prices, models and negotiation, production lead times and manufacturing processes, forecasting process, and ethical and sustainable policies. We will also be developing a programme of factory visits for all Buyers and Merchandisers to enable them to better understand production processes.

As part of our own operation induction and supplier on boarding process, we are developing a digital e-learning that solely focuses on the topic of modern slavery: how to understand its concepts, risks and legislation, identify any indicators or warning signals in supply chains and own operations.

Next Steps

We commit to collaborate further with industry peers, NGOs, trade unions and through our multi-stakeholder dialogue to address issues that are at the root cause of contemporary slavery and human rights breaches. Moving forward we will extend the breadth and depth of our approach to include non-stock suppliers and third party brands, and risk assessment of other sourcing regions. Our aim is to further strengthen and promote our core values of fairness, integrity, transparency and collaboration, and as such we will be updating this statement annually.

Whistles Modern Slavery Statement was prepared by Whistles Modern Slavery Working Group and approved by Whistles Board of Directors on 28th March 2019.



Helen Williamson Managing Director,
on behalf of the Board of Directors

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