

joules

MODERN SLAVERY STATEMENT

JOULES GROUP



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FINANCIAL YEAR ENDED 26 MAY 2019

INTRODUCTION

Joules is a UK-based premium lifestyle brand which designs and sells Joules-branded clothing, accessories and homeware. It also operates its "Friends of Joules" online marketplace in the UK. The main trading company in the UK is Joules Limited, which is ultimately owned by Joules Group Plc. Joules Group Plc also has subsidiaries in the US, China and Hong Kong ("the Group").

This is our fourth statement made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Group's slavery and human trafficking statement for the financial year ended 26 May 2019.

Joules is proud of the steps it has taken to combat slavery and human trafficking within its supply chain and is committed to continually improving its practices.

WHAT DO WE MEAN BY 'MODERN SLAVERY'?

We have derived our definition of Modern Slavery from the UN guiding principles on human rights:

Modern Slavery involves one person depriving another of their liberty in order to exploit them for personal or commercial gain.

OUR OPERATIONS, POLICIES AND PRACTICES

To ensure our products are of the high quality that our customers expect from us we manufacture all over the world. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business and take a zero-tolerance approach.

Our policies and procedures for suppliers reflect this commitment and clearly set out the values, expectations and strict standards that we expect all our suppliers to meet. These policies are clearly communicated to all our suppliers, and each supplier is required to independently confirm on an annual basis that they adhere to these. Our ethical standards are based on the Ethical Trade Initiative (ETI) base code guidelines and our requirements not only cover modern slavery, but also our wider expectations in relation to ethical and responsible sourcing and manufacturing.

We work closely with all our suppliers to ensure that they understand, and meet, all our ethical and social sourcing requirements. We have a dedicated sourcing office in Shanghai, staffed by 38 Joules employees, as well as a team in the UK, allowing us to maintain close working relationships with each of our suppliers and to support working in partnership with them to consistently deliver against, and meet these requirements.

To cement the close working partnership with our suppliers, we hold a formal supplier conference in Shanghai every Autumn which allows our suppliers to all come together, meet with key member of Joules management and discuss key topics.

Our supplier contractual terms include obligations on suppliers with regard to compliance with the Modern Slavery Act and ensuring that they do not use trafficked, bonded, child or forced labour. Joules has the contractual right to take appropriate action for failure to comply with these obligations, which includes the right to terminate the contract and report any wrongdoing.

MONITORING OUR EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

We have a robust programme in place to ensure that all our suppliers are audited by an independent auditor against our ethical standards (including those related to modern slavery) and to support our suppliers to consistently enhance their practices, with a view to ultimately not just meeting, but consistently exceeding, our ethical standards as well as meeting all other criteria required by local law.

During the financial year to May 2019 we undertook audits on 89 factories which included both end product suppliers and raw materials suppliers. Our audits are conducted by an internationally recognised 3rd party auditing company using the Sedex Members Ethical Trade Audit (SMETA) format and our internal auditors conduct follow up audits. We endeavour to ensure every factory is assessed annually.

The audit scope covers the following key areas:

1. Prison / Forced Labour
2. Freedom of Association
3. Child Labour
4. Health & Safety
5. Wages and benefits
6. Working Hours
7. Discrimination
8. Regular Employment
9. Disciplinary practices
10. Environment.

By reviewing these key areas, we seek to ensure that no forced / bonded / child labour is used by any of the manufacturers we work with. We will continue to assess and reassess within our manufacturing supply chain to ensure we are only working with companies that meet or exceed our ethical and social standards.

Our external whistleblowing arrangements remain in place to allow employees to raise any concerns, on a confidential basis if they prefer.

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CONTINUOUS IMPROVEMENT

A Joules supplier conference takes place in Shanghai in October each year.

The 2018 supplier conference had a CSR theme with an update on planned areas for improvement over the following 5 year' period and with guest presentations from industry bodies such as the Ethical Trade Initiative, the Better Cotton Initiative and the Leather Working Group. The Group CFO and other senior management were in attendance.

The 2019 supplier conference was attended by around 115 attendees, representing 48 different suppliers and included a focus on our 'Responsibly Joules' CSR programme and our ethical and social expectations for the supply base. The conference was attended by our founder Tom Joule, and our new CEO, Nick Jones, both of whom presented at the conference and met with suppliers.

Following the 2019 conference, our current onboarding process for suppliers has been updated to include 'CSR Guiding Principles', to ensure that all of our suppliers are actively engaged in supporting our 'Responsibly Joules' journey. We have also appointed a dedicated CSR manager to focus on all areas of Corporate Social Responsibility.

As mentioned above, Joules' ethical standards have been based on the Ethical Trade Initiative (ETI) base code guidelines for a number of years and during the financial year, Joules was formally accepted as a member of the ETI. We are working closely with the ETI as we approach our first-year reporting in October 2020.

We will continue to build on existing awareness within the business and identify any training needs.



NICK JONES, CEO

Approved by the board of Joules Group Plc
November 2019