



## MODERN SLAVERY ACT

## TRANSPARENCY STATEMENT 2021

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The statement sets out the steps taken by UP Global Sourcing Holdings plc and UP Global Sourcing UK Ltd (Trading as Ultimate Products) to prevent modern slavery in its own business and supply chain for the financial year ending **31 July 2021**.

### **OVERVIEW & STRUCTURE**

Under our wider ESG strategy, we are committed to ensuring that we supply quality products that are sourced, manufactured and supplied in a fair, ethical and environmentally responsible way. We actively review this area of our business through our internal ESG structure, with modern slavery and general practices covered under the social (S) element.

As a PLC retail brand house that sources, develops and distributes branded consumer goods within global channels we recognise that there are potential risks of modern slavery within our suppliers and supply chain partners and we are committed to ensuring we fully understand these and shall work with our partners to mitigate them on a continued basis. This includes regular monitoring of our performance and setting key targets to achieve.

The organisation has offices in the UK, China, Hong Kong and Germany, Distribution Centres in the UK along with leased warehousing facilities in Europe. The core of our suppliers are based in the Far East and our external logistic partners operate internationally.

We will not tolerate any form of modern slavery nor knowingly work with any suppliers or logistic partners that are involved in any form of slavery, human trafficking or exploitation and we are satisfied that there is no evidence of any act of modern day slavery within our supply chain this year.

### **RISK AND RESPONSIBILITY**

Our internal **Modern Slavery Committee**, a key aspect of our ESG structure, comprising of people across areas of our business continue to risk assess and internally audit our business each year to identify any potential risk areas and report back to the company's **Group HR and Operations Director**.

Any risks identified will be communicated to the **Board of Directors** and necessary actions completed at the earliest opportunity within the same financial year.

Our dedicated **Ethical & Social Compliance Team** based in China continue to audit our supplier base, working with their key decision makers to ensure standards are achieved and corrective action plans are completed.

The team ensure that our factories are audited by our accredited third party partners to the ETI base code and that our ethical standards are being maintained.

Following our annual audit, it is our current assessment that the greater risk lies within our Far Eastern supplier base and we have therefore focused the greater attention of our efforts within this area of our supply chain.

## **OUR FAR EAST SUPPLY BASE**

We continue to be a member of SEDEX and instil the practices demanded within our Far East supplier base, to ensure working standards are meeting compliance and the risk of modern slavery or human trafficking is minimised.

To aid ethical sourcing we continue to complete an ethical audit of our key Far East factories as soon as reasonably practicable when commencing business with them, which monitors and records;

- That there is no forced or involuntary prison labour being carried out;
- That workers are not required to lodge deposits or their identity papers with their employer;
- That workers are free to leave their employer after giving reasonable notice;
- That workers are entitled to breaks and free to leave the premises during 'off hours';
- That there is no child labour taking into consideration the local law for minimum age for working;
- Factory wages and benefits paid to staff for a standard work week meet the national legal standards or industry benchmark standards (whichever is higher);
- The amount of overtime undertaken by staff which should;
  - Be at a premium rate.
  - Not exceed the national legal standards set.
  - Not be demanded on a regular basis.

As members of both SEDEX and amfori BSCI we use a variety of third parties to carry out our audits alongside our own internal teams.

In addition, all new and existing suppliers are expected to sign up to our Modern Slavery declaration statement on an annual basis. This involves a discussion with the supplier on our expectations in relation to modern slavery and a signed declaration being returned by our suppliers from a senior representative. These declarations are stored centrally at our UK head office and periodically reviewed.

Our Supplier Manual, the key document detailing our expectations to our suppliers which is signed by our suppliers, covers detailed information on our expectations on modern slavery and is circulated throughout our supplier base on an ongoing basis.

## **ETHICAL SOURCING**

We are committed to responsible sourcing and where possible ensure key product materials are certified to the required standards. An example of this is ensuring our wood and paper products are FSC certified which requires organisations to be audited and included in this is the monitoring of health, safety and labour issues within the supply chain.

## **OUR SUPPLY CHAIN PARTNERS**

We will continue to monitor the transparency statements of our supply chain partners. We now have a key contact at each of our supply chain partners who is responsible for Modern Slavery and who we can challenge or arrange an audit if there are any areas of concern.

The introduction of periodic site visits to our UK warehousing partners will also commence from 2022 onwards. These visits will be completed by our Modern Slavery Committee representatives as part of our annual risk assessment processes.

## **OUR OWN TEAMS AND RESOURCING PARTNERS**

Our HR team, through improved and robust procedures, can help to identify any potential issues of modern slavery within the UK and China workforce. We have also demanded more from preferred resource and recruitment partners who have had to align their procedures around modern slavery to achieve the expectations set by our Company. We now also complete detailed audits on our recruitment agencies who provide temporary warehousing staff, to ensure they are complying with relevant legislation.

We now have established and dedicated HR resource within our Far East operation to ensure any Modern Slavery concerns within our workforce can be identified at the earliest opportunity.

Our internal China Quality Control team help ensure any evidence of Modern Slavery in our Far East factories is identified and reported to senior management so that decisive action can be taken to rectify.

### **FAIR PAY**

We are committed to providing fair pay for our workers and offer a range of benefits and financial incentives that demonstrate this. In the UK we are committed to offering pay rates that exceed the National Living Wage and we are striving to achieve UK Living Wage accreditation in the coming years.

During the financial year ending 31 July 2021 our entire UK workforce were paid a minimum of **£9.50 per hour** (Temporary roles) and **£10** per hour (permanent positions), irrespective of age or gender, which are above the current National Living Wage rates.

### **TRAINING AND AWARENESS**

The business requires that all key staff within our supply chain complete training on modern slavery to ensure that they understand the risks of modern slavery and human trafficking infiltrating the business or its suppliers.

Internal staff training on Modern Slavery remains to be an important topic and as such all new joiners receive training upon joining the company and existing employees receive training annually across all of our international sites.

The organisation will continue to raise awareness within the business especially through our Modern Slavery Committee and Employee Consultation Group. Additionally, we periodically review internal policies and procedures and will review them in the event of any major organisational changes, the introduction of new legislation or in the event of any breach of the policy

### **OUR POLICIES AND MEASURING PERFORMANCE**

We welcome all staff, workers and supply chain partners to come forward if they believe there is any suspected violation of these standards without fear of retaliation. We have a number of procedures and methods that enable our workers and partners to speak out and raise any concerns, these include:

- An Independent Whistleblowing Hotline and Procedure.
- Whistleblowing Policy
- Modern Slavery Act Policy
- Health & Safety Policy
- Ethical & Social Compliance Team UK & Far East
- Employee Consultation Group
- Modern Slavery Committee
- Global Annual Employee Engagement Survey

### **TARGETS AND KEY PERFORMANCE INDICATORS**

In order to measure the business' effective in ensuring that modern slavery and human trafficking is not taking place with the business or supply chains, we have a number of key performance indicators:

AREA	TARGET	2021 PERFORMANCE
Having 'live' suppliers audited by our Ethical teams on a continued basis. We now have this KPI reported on a monthly basis at Board Director level.	100%	<b>94.5%</b>
Reported cases of Modern slavery via our Ethical or HR teams.	0	<b>0</b>

Reported cases via our Whistleblowing Hotline.	0	<b>0</b>
Number of new & existing suppliers signed up to the Modern Slavery declaration process	100%	<b>95.7%</b> <b>(100% for China Factories)</b>
Number of live suppliers signed to our supplier manual (latest version)	100%	<b>85%</b>

We will continue to work with our suppliers and partners to continually improve our performance in relation to modern slavery and future progress will be reported each year.

Areas of focus next year will be to increase the audited score further than 94.5% and to ensure the remaining Indian and European suppliers complete the modern slavery declarations to increase our score above 95.7%. Both performances have been hindered slightly due to COVID travel restrictions. We will also continue to gradually improve our supplier manual sign ups as soon our UK teams can return to China travel.

We undertake all reasonable and practical measures to ensure that these standards are implemented throughout the businesses of our customers and suppliers and will assess any instances of non-compliance on a case-by-case basis putting remedial measures into place appropriately and providing guidance to those factories who do not meet our standards to enable them to make improvements for the future.

Internally, the business is committed to continual improvement of our internal procedures and systems

#### **DECLARATION**

In doing so, this statement will be reviewed annually by the Board and any changes implemented thereafter. Andrew Gossage was authorised by the Board to sign this statement on their behalf.

This statement has been published in accordance with the Modern Slavery Act 2015, which requires businesses to disclose publicly the steps they are taking to tackle modern slavery each year.

Signed:

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Andrew Gossage

**Managing Director**

**Date: 31 January 2022.**