

RIVER ISLAND

Modern Slavery Statement 2020

River Island is committed to protecting human rights both within our own operations and in our global supply chain. We work to protect and respect all individuals including employees, supply chain workers and our customers. Tackling and eliminating Modern Slavery from our business and supply chain continues to be a key aim of the business and is written into our long-term sustainability strategy. We see our drive to increase the transparency of our supply chain as key to reaching this aim and strive to find and resolve problems that may exist to help protect the human rights of workers.

Collaboration is seen as an essential tool to improve human rights and reduce risk and we continue to engage with key stakeholders such as the Ethical Trade Initiative, its members, government bodies, NGOs, and industry groups. We see our suppliers and factories as key partners in our ethical programme and continue to work with them closely to address ethical issues. At the end of 2020 River Island's main (Tier 1) Factories employed 258,000 workers of which 146,000 (56.6%) are women.

The following statement has been published in accordance with the Modern Slavery Act (2015) and outlines the steps River Island has taken during the financial year ending 31st December 2020 to identify and prevent Modern Slavery and human trafficking from taking place within our business and supply chains.

The covid-19 pandemic has provided an unforeseeable challenge to all levels of global supply chains and has dramatically affected the ability for our teams and our partners to access our supply chain sites as regularly as would normally be the case. It has also provided challenges with forward planning of visits, training and capacity building as lock downs have been unpredictable and often implemented with very short notice.

(A) ABOUT RIVER ISLAND

River Island is a leading multi-channel fashion brand based in the UK, selling womenswear, menswear and kidswear. River Island was established as a brand in 1988 and is a privately-owned business, owned by the Lewis family. The business,

however, can be traced back to 1948 when it was first started by Bernard Lewis, and he and his family are still actively involved in running River Island today.

We have 318 stores in 13 countries on 3 continents, and we sell to over 120 countries online. River Island's annual turnover in 2019 was approx. £1bn.

Our Head Office in West London is home to the Design and Development, Buying and Merchandising, Marketing, Technical, Ethical, Sourcing, Logistics, Legal and Finance teams. Our DC in Milton Keynes receives, holds, and distributes our products to stores, wholesale partners and online customers.

Total Number of Employees in 2020:

Head Office -989

Distribution Centre - 659

Retail - 5336 (UK), 596 (ROI)

Our product is predominantly "own label" and includes clothing, footwear, bags and accessories. In 2020, we sourced from 29 countries, and our "Top-5" countries were China, Turkey, Romania, Egypt and Bangladesh which accounted for 79.5% of our range. The Top 12 countries supplied 95.6% of our range compared to 94% in 2019.

Throughout 2020 we worked even closer with our suppliers especially with the onset of the Covid-19 Pandemic and the increased pressure that this brought to everyone involved at every level of our supply chain. In 2019, we worked with 181 product suppliers (375 factories). 85.7% of River Island products came from the "Top-50" suppliers (the "Top-20" are 64.1%). We also source a wide range of goods and services such as shop-fitting, packaging, cleaning, catering, logistics, security, IT, marketing, ecommerce, advisory and so forth (collectively referred to as "goods not for re-sale" or "GNFR") from third party suppliers, the vast majority of which are UK based.

(B) RIVER ISLAND POLICIES – relating to Slavery and human trafficking

Supplier Manual – River Island Suppliers are contractually bound by the terms and conditions in our Supplier Manual which include adherence to the following policies, for the protection and promotion of human rights:

River Island Ethical Policy (based on the ETI base Code) - This Policy defines the shared ethical responsibilities between suppliers and River Island buyers.

River Island Anti-Slavery and Human Trafficking Policy (incorporated into our Contracts in 2016)

Employee Contracts – all River Island employment contracts directly incorporate a suite of policies designed to protect worker rights and promote a safe and fair supply chain. These include the River Island Ethical Policy referred to above, the River Island Anti-Slavery and Human Trafficking Policy referred to above, the Anti-bribery and Corruption Policy, and the Whistleblowing Policy.

GNFR Contracts – all require compliance with the Modern Slavery Act, and those relationships deemed to be operating in “higher-risk” areas, according to the criteria set out below, specifically require adherence to our River Island Anti-Slavery and Human Trafficking Policy.

(C) DUE DILIGENCE and assessment of Modern Slavery risk in 2020

River Island has been a member of the ETI since 2008 and we adopted the ETI base code as the minimum standards against which our product suppliers and factories are consistently measured. Since 2016 this has included an ongoing assessment of Modern Slavery risk. Whilst our ethical approach continues to be based on building trust and transparency with our suppliers and factories (to fully understand the conditions, risks, and challenges that exist), we realise that the potentially deep-rooted and systemic practices associated with Modern Slavery may not be identified through pre-arranged visits.

Between 2017 and early 2020 we have conducted 98% of our Ethical Audit visits on an unannounced basis. This has reduced significantly during 2020 due to the covid-19 pandemic. During this period, we worked with our suppliers to ensure that we were not putting factories at risk by conducting audits. To ensure the Health and Safety of all workers was put first, we changed all audits to semi-announced and carrying out full checks on covid-19 procedures within each site prior to the visit. We also gave factories opportunities to contact us where necessary in advance of any visit to update us if the situation on the ground had changed due to local lockdowns or changes in local government advice.

We continue to collaborate with suppliers and factories to make improvements as required, but we will discontinue business with any supplier or factory who persistently fails to do any of the following: be open and honest; take responsibility for meeting our ethical standards; and make required improvements to rectify serious non-compliances within an agreed time frame. Our focus to date has been on the “First-Tier” suppliers, factories and sub-contractors who directly manufacture our products. We continued to map our tier 2 sites in 2020 by extending our mapping

into China. We had previously fully mapped our tier 2 sites in the UK, Turkey and India during the early part of 2020 and will look to continue to increase this visibility during 2021, especially focussing on how we can ensure this information is easily updateable on an on-going basis.

Our on-going Modern Slavery due diligence covers the following key areas:

New supplier/factory set up process: Orders cannot be placed with any supplier/factory until it has completed pre-assessment and approval by the River Island Ethical team (as well as Technical and Commercial). This includes all first-tier sub-contractors. We review independent 3rd-party audits (SMETA) and corrective action plans, and we may also conduct River Island validation audits according to risk.

Visibility of production location: Suppliers are contractually obliged to manufacture River Island products at the factory named on the Purchase Order (PO). Only pre-approved sites may be used, and written approval is required in the event that the location needs to change. This allows us to report, measure and risk assess our product supply base according to location and business levels. Ethical audits and resources are prioritised and managed accordingly.

Unapproved sub-contracting: Our Ethical Policy dictates that only audited, approved factories and sub-contractors are used. However, we recognise that we cannot be complacent to the risk of unapproved sub-contracting to units with ethical failings (including potential for Modern Slavery conditions and practices).

As part of our Supplier monitoring process in 2020, we have continued to focus on identifying and preventing first tier sub-contracting. In 2020, and as stated earlier in the report most factory visits were semi-announced due to the complexities of working during a pandemic. Although this was the case, we continued to include extra processes to spot check that individual products are in production at the agreed location and date, and to highlight any missing products. Records are investigated to identify any undeclared production units, which are then visited to assess working conditions and where required these will be added to our approved list of production units.

The circumstances and underlying causes of each issue found are always considered before taking the appropriate remediation and corrective actions with the Supplier/factory. For example, the unit completes the mandatory “New Factory Set Up” assessment and approval process and we implement a continuous monitoring programme with the supplier/factory. As a result of our increased efforts, in 2020 we

uncovered 11 instances of unapproved sub-contracting which led to remediation with 7 suppliers (11 production sites). We also provided 6 training sessions to 6 suppliers and multiple production sites linked to the relevant suppliers, these sessions we carried out by our in-country teams both in person and online when we were unable to attend the sites due to the covid pandemic.

Serious and repeated breaches of our Ethical Policy, and repeated lack of openness and cooperation, can lead to the supplier or factory being removed from our approved list.

Sub-contracting Case study:

During late 2020 we had a serious issue with unapproved subcontracting at a key Chinese supplier. On visiting, it was discovered that no orders were being produced at the site that had been previously approved. On engaging with the supplier, we were told that all orders were being made at a second pre -approved site. We immediately visited the second site to check on the order situation and found that several orders were not being produced at this site either.

Again, we engaged with the supplier who gave us details of a third un-approved site which was immediately visited, and the remaining orders were found. On working with the supplier further it was discovered that over capacity had been the main cause of the issue rather than their being any intention to work at an unapproved factory.

We fully audited the unapproved site during the visit to ensure that there were no major issues, even though we did not continue the relationship with the site and asked our supplier to ensure that future work was only placed at our agreed production sites.

As part of the process, we continue to visit the sites and carry our production checks as well as ethical checks.

Root Cause: The main issue that had caused this subcontracting was the supplier's difficulty in planning the production due to lack of resources within his business. Since this time, he has employed a production manager to handle all orders and ensure that production capacities are managed correctly. At the time of writing the report we had not seen any further breaches by the supplier with all orders being placed in approved sites.

In-Country Supplier Training:

During 2020 we have continued to offer suppliers training and advice to help them meet the River Island Ethical Code of Conduct requirements. The outbreak of the covid-19 pandemic has meant that this training and advice had a sudden change of focus. All in-country team members were trained in understanding both international and locally required safety protocols for their relevant production sites. And thorough checks were made of all health and safety measure put in place to reduce the risk of spreading covid-19.

Our teams were also fully aware of the local rules in relation to furlough and the full requirements that our production sites need to follow to meet with local and international laws as well as our ethical code of practice. Any sites that have been found to have missed payments of paid incorrect furlough payments etc. must correct such issues immediately as part of our supplier engagement programme.

All members of our in-country teams are experienced in various areas of Ethical Trade and can offer help and support to the Suppliers, factories and workers if required. We continue to offer key support in areas such as Supply Chain Transparency, Homeworking, Modern Slavery and a supplier ability to meet the requirements of the River Island Code of Practice and how these topics link closely to the requirements of the River Island Supplier Agreement, Subcontracting and Regional Recruitment Practices and Issues.

We continue to encourage transparency from our suppliers as a standard requirement of working with River Island and provide training when and where we find this is not being provided by our suppliers or when they request training to understand the processes required to meet with our standards.

Supply base risk assessment: We are aware that some production locations carry a higher potential risk of Modern Slavery and Trafficking. Key risk factors include: migrant labour (within a country or between countries), a high presence of refugees, young workers (risk of child labour), contract and agency workers, outsourced HR functions and female workers. In addition, the security situation and increasing threat of terrorism in some countries makes it more difficult to travel safely to conduct visits. Turkey, China, India and the UK continued to be rated as the higher risk countries from which we source.

Where we have been made aware of severe human rights abuses in specific regions, we continue to fully risk assess our current exposure within these regions and ensure that our supply chain partners do not have any direct or indirect links to the abuses being carried out. In 2020, Turkey, China, India, Mauritius and the UK are still assessed as having the highest Modern Slavery risk within our supply chain.

River Island ethical audits and visits: We have Ethical Teams based in seven key manufacturing countries who travel regionally to conduct regular audit/visits to factories. They follow-up on 3rd-Party audits, monitor corrective action plans, support with issue resolution, and provide training when required. In 2020 most visits were semi-announced due to the Covid-19 Pandemic. As a new addition to the process, in several regions where we could not access for several months due to the pandemic, we trialled online auditing using video links. Although useful it cannot replace the face-to-face visit that allows first-hand contact with workers. to enable us to uncover the real ethical conditions and validate that our products are being manufactured in the agreed factory. We always aim to work pro-actively when issues are found, and we ask that our suppliers and factories work with us based on a continual improvement programme methodology to correct issues and improve transparency.

During 2020, our ability to visit factories was seriously curtailed due to the Covid-19 Pandemic. Our Ethical Team assessed 414 factory audits and conducted 154 Ethical site visits, including 44 in Turkey, 62 in China, 18 in India, 12 in UK, 12 in Eastern Europe and 6 in Bangladesh.

Supplier Performance Review: Compliance with River Island Ethical Policy is a contractual responsibility for suppliers. River Island Buying Teams review “end-to-end” supplier performance at least twice a year. The Ethical Team provide an ethical score/summary for each supplier to ensure that the Buying Teams are aware of and consider ethical performance and risk when compiling their sourcing plan. Buyers review the plan with their Divisional Director and the Head of Sourcing and Ethical, prior to each new buying season, and this includes a discussion of any ethical risks and required actions.

Supplier Strategy: During 2020 we continued to focus on supplier consolidation and alignment across River Island divisions to drive closer collaboration, improved end-to-end performance, and mutual business benefits with our key Suppliers. Our Strategic Supplier Programme drives this initiative further -with increased focus on responsible sourcing and innovation. with 10 key suppliers (approx. 40% of our business at cost value). Each received a personalised Strategic Supplier booklet outlining River Island's commitment to closer collaboration, shared visibility and planning, and improved ways of working. It defines the expectations and benefits for both parties. Improved visibility of strategy and planning, and greater openness to

jointly discuss cost challenges and initiatives has driven benefits already. Examples include: reduced sample and courier costs; product engineering benefits; more supplier "self-approvals"; cross-divisional fabric buying and savings; a focus on combining orders to reduce the mix of small (inefficient) orders.

ETI working Groups and other Collaboration: In order to address significant and widespread ethical challenges, we are collaborating with other brands, industry experts, NGO's and other stakeholders. For example:

UK Fast Forward Programme: We continue to be a member of the UK Fast Forward Improvement Programme (<https://www.fastforwarduk.org/>), working with other brands under the guidance of David Camp. David was the founder of an initiative known as 'Stronger Together,' created specifically to tackle the issue of Modern Slavery in the agricultural and food industry. He adapted the same robust audit methodology and approach to apply to all UK-manufacturing factories.

During 2020 we continued with Fast Forward factory training, including initial audits and unannounced validation audits although the number of visits was severely reduced due to the covid pandemic, with only necessary visits being made and only with full approval of our suppliers and their factories to ensure that the risk of spreading covid-19 was not increased by the visits. We have continued to consolidate our UK business into factories that can clearly demonstrate compliance and ongoing improvements. During 2018 we conducted 12 UK Fast Forward visits / audits.

Migrant Labour: In 2020 we continued to monitor the risk of Modern Slavery and we are keenly aware of the increase in all countries where migrant labour is relied upon. In 2020, we continued with our brand collaboration in targeting countries to visit, assessing and monitoring our shared key factories, and in recruitment practices, to ensure that migrant workers are employed legally and ethically.

Business wide operational due diligence: We continue to carry out due diligence and risk assessments across the rest of the business in respect of Goods Not for Resale (GNFR). Every GNFR relationship has also been assessed and graded according to risk. Any supplier of GNFR rated as medium or high risk for the purposes of Modern Slavery now has our Anti-Slavery and Human Trafficking Policy incorporated into their contract, including an express commitment to comply.

Case Study: River Island Distribution Centre Modern Slavery Incident – Dec 2019

During late 2019 there was an incident in the River Island Distribution Centre which initially presented itself as a potential case of Modern Slavery with the worker in question showing several signs that he may have been held under financial control by a third party. Working with our partner employment agency and the GLAA we were able to carry out thorough checks on the individuals involved and ensure that the worker was not in any risk. We quickly identified that the actual issue was a case of bullying by one worker to another which was quickly remedied.

Although the processes that we already had in place allowed us to deal with the case quickly and ensure there was no threat to the worker involved, we have since reviewed both our internal processes and those of our partner employment agency to ensure that the systems in place are robust and fit for purpose should a similar incident occur in future.

(A) MODERN SLAVERY GOVERNANCE

Sustainability Board Meeting held quarterly and chaired by our General Counsel. Also, in attendance are our COO, our CCO, CPO and the Supply Chain Director. We review the current supply base and CSR strategy, as well as highlight any key risks and actions which may be required to comply with River Island's Ethical Policy and Anti-Slavery and Human Trafficking Policy.

Modern Slavery Working Group: Reporting to the General Counsel, and with input and guidance from the Ethical Sourcing Manager, this cross-functional group of senior managers from all River Island operations (DC, stores, HR, GNFR procurement and UK Facilities) focuses on the supply of non-branded products, as well as River Island operations and services.

(B) MODERN SLAVERY AWARENESS AND TRAINING

Ethical Sourcing induction: All River Island Buying Teams and new joiners attend mandatory Ethical Sourcing induction sessions which give a detailed introduction to the ETI base code. We also have an online Modern Slavery training module. Completion of this interactive module is mandatory for all Head Office functions and is now being extended to all River Island UK sites. We monitor completion rates and scores to ensure awareness and understanding of Modern Slavery in all relevant areas of the business.

Industry training and participation: As an active member of the ETI we regularly participate in briefing meetings and Working Group meetings, providing valuable opportunities to raise awareness, share experiences/learnings and collaborate on resolution of key issues including Modern Slavery, Freedom of Association and Gender Equality.

In 2018 we signed up to the Apparel and General Merchandise Public Private Protocol which is a joint agreement aimed at combating labour exploitation in UK clothes manufacturing. This protocol commits signatories to work together to eradicate Slavery and exploitation in textile supply chains. They have pledged to raise awareness to prevent worker exploitation, protect vulnerable and exploited workers and disrupt exploitative practices and help bring criminals to justice. The group includes several leading UK Fashion Brands along with key Enforcement bodies including the Gang Masters and Labour Abuse Authority (GLAA), Department for Work and Pensions (DWP), Employment Agency Standards inspectorate, Health and Safety Executive (HSE), HMRC, Immigration Enforcement and the Insolvency Service have also signed the document, The protocol is also supported by industry bodies British Retail Consortium, UK Fashion and Textiles Association, and auditing system Fast Forward. Due to the issues in the UK during the Covid-19 Pandemic, during 2020 the scope of the group has been widened to include a greater number of UK Retail Brands as well as UK Trade Unions and key Industry Stakeholders. It is hoped that during 2021 the group can agree on a road map to ensure greater transparency in the UK with a goal of creating a world class garment industry that complies with ethical and legal requirements in the UK.

(C) NEXT YEAR

We continue our journey towards the eradication of Modern Slavery on a global scale. We strive to stay aware of the ever-changing trends and risks caused by political, environmental as well as economic factors, such as wars, migration, labour shortages and rising costs.

Working with our supplier's partners, we stand a much better chance of successfully tackling Modern Slavery if we have a shared understanding and a shared accountability for the outcome. We look forward to creating a 'beyond audit' approach initially dealing with our top 10 and selected strategic suppliers. Working in an open and honest partnership with the suppliers and allowing direct worker feedback in order to give all parties a clear understanding of the issues that exist and allowing us to develop ways to successfully deal with these issues.

In 2021, partnering with a 3rd Party Transparency Platform we will look to increase our focus on tier 2-4 suppliers. We will continue to use our in-country teams to audit and provide support and guidance to factories and work directly with our suppliers and factories on a 'beyond audit' approach to dealing with issues.

Our teams are building an ever-greater awareness and experience of Modern Slavery and we will continue to collaborate and share experiences and information with NGO's, other ETI brands, suppliers and local agents to build effective solutions (including worker remediation, detection and prevention).

We will continue to look at ways of measuring the performance of actions we take to combat Modern Slavery and human trafficking both within our business and our supply chain, to help us monitor how effective our practices have been.

During 2021 we will be looking at ways to go beyond audit and improve worker feedback using mobile technology and direct worker training. This was severely delayed due to the covid pandemic during 2020 and will be picked up again once conditions allow. This should help to give us a clearer understanding of what is happening at our production sites from the workers point of view and help us to focus on the issues directly affecting these workers. To compliment this, we will also start forming stronger ethical partnerships with our key and strategic suppliers, factories and workers to get constant feedback rather than snapshots during factory visits and audits. This will focus on a more open working relationship with these suppliers with open access to factories and direct worker contact.

Our Sustainability Strategy has been created to improve all aspects of sustainability within River Island with a key focus on Modern Slavery, Transparency, Equality and Community. We will continue to drive supply chain collaboration, performance, and increase visibility. Responsible and ethical sourcing continues to be at the heart of the River Island Sustainability Strategy.

A handwritten signature in black ink, appearing to read 'Will Kernan', with a stylized, cursive script.

Will Kernan