

MODERN SLAVERY ACT TRANSPARENCY STATEMENT FOR FINANCIAL YEAR 2017/18

This transparency statement sets out the structure of Phase Eight's supply chain and some of the steps we have taken to ensure that modern slavery and human trafficking are not present in our business operations and supply chains. It covers the financial year ending 31 March 2018 and has been published in accordance with the Modern Slavery Act 2015 (the "Act").

Our Business Organisation and Supply Chain

Phase Eight is a UK-based multi-channel brand. We operate in 21 territories through concessions, solus sites, wholesale, and web. We employ 2085 people worldwide, with 1555 employees in the UK and ROI across our 105 stores and 174 concessions, 212 in Head Office and 318 in our 2 international stores and 127 concessions across the globe.

Our product is manufactured internationally across Europe and Asia. We have an active supply base of 139 manufacturing sites comprising 101 factories through 41 suppliers and 38 factories through agents. Our top 5 sourcing countries are China, Romania, Turkey, India and Greece. We do not operate the factories that manufacture our products.

The sourcing department (comprised of Technical, Buying, Merchandising and Design) manages Phase Eight 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 and considered together with commercial criteria.

Policies and Contractual Controls

As part of our ever evolving ethical trading strategy based on the UN Guiding Principles on Business and Human Rights and our 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.

Our core policies 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 and 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, Phase Eight 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 and Equal Opportunity Policy.

Sedex Membership

In 2016 Phase Eight became members of the Supplier Ethical Data Exchange (“SEDEX”), a not for profit organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains. SEDEX allows suppliers to share the same data with multiple customers, thereby reducing the need for multiple audits and allowing our suppliers to focus on making improvements.

The SEDEX platform also enables members to report on trends across the supply chain and to liaise with one another where indications of forced or bonded labour arise so that these can be followed up.

We are currently working with Sedex to carry out a supplier outreach in order to link ourselves with our suppliers through an online platform where suppliers share their latest audits with us.

Factory Audits

The Code of Conduct also sets out our requirements for factory audits from all factories in our supply chain. We request that all new suppliers provide an audit based on a public methodology from a recognised independent organisation, for example the SEDEX Members Ethical Trade Audit (SMETA). Where a supplier is unable to provide such an audit we ask that suppliers fill in our own audit form instead which requires, among other things, details of factory sites, employees, sub-contractors and homeworkers, training and critical safety procedures, staff working hours and wages, and environmental procedures.

In addition to the requirement for all factories to provide audits we will often visit the factories themselves when we visit our suppliers.

We operate a whistleblowing policy aimed at our employees and our supply chain. All reports will be fully investigated.

Supply Chain Mapping

Phase Eight acknowledges that its supply chain is constantly moving and that suppliers may be added to its chain in line with Phase Eight’s growth.

In 2017 we worked with our first-tier suppliers to ensure we have full clarity of the location of their factories. In addition we started mapping our second-tier suppliers in conjunction with information provided by our first-tier supply base. We will continue to update our supply chain map to reflect changes to our supplier base.

Training

In 2017 we recruited a Corporate Social Responsibility and Sustainability Executive to work with all brands within the TFG Brands (London) group. Their mandate includes a risk analysis of our sourcing countries and the implementation of additional steps to strengthen supply chain auditing and verification.

Training on ethical buying, social compliance and factory engagement programmes is planned for the buying, design and senior management teams within Phase Eights' Head Office.

This statement has been approved by the Board of Phase Eight (Fashion & Designs) Limited.

A handwritten signature in black ink, appearing to read 'B. Barnett', with a long, sweeping horizontal line underneath it.

Benjamin Barnett,

Chief Executive Officer

Phase Eight (Fashion & Designs) Limited