

INTRODUCTION

The Board of Freemans Grattan Holdings, Freemans Public Limited Company and Grattan Public Limited Company take the issue of Social Compliance very seriously and are unanimous in their desire to implement a strategy of monitoring all suppliers to ensure compliance to internationally recognised standards.

Freemans Grattan Holdings is a wholly owned subsidiary of the OTTO Group in Germany, who are themselves members of the Business Social Compliance Initiative (BSCI).

The BSCI is a common monitoring and qualification system to improve the working conditions in the global supply chains of Retailers, Importers and Brand companies. Over 80 companies are members of BSCI, representing 10 different countries in Europe and involving thousands of suppliers worldwide.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 29th February 2020.

OUR BUSINESS

Our business is organised into three business units: **Freemans Grattan Holdings Limited, Freemans Public Limited Company and Grattan Public Limited Company.**

OUR SUPPLY CHAINS

Our supply chain includes procurement for merchandise which is typically fashion, homewares, electrical goods and gifts. Our non-merchandise, which is usually software and professional services. We engage an extensive network of business partners based in the UK, EU and the rest of the world with products principally sourced from the UK, Turkey, China and India. The Otto Group is a member of the Business Social Compliance Initiative (BSCI) and monitors external and internal dealings against the BSCI Code of Conduct. This includes Freemans Grattan Holdings, Freemans Public Limited Company and Grattan Public Limited Company.

The BSCI is a common monitoring and qualification system to improve the working conditions in the global supply chains of retailers, importers and brand companies.

We require all our business partners to comply with all national requirements and the minimum social requirements of the code covering:

- Child Labour \ Young Workers
- Forced Labour,
- Disciplinary Measures,
- Freedom of Association & Collective Bargaining
- Working Hours
- Working Contracts
- Compensation
- Working Conditions & Health & Safety

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We are committed to preventing modern slavery or human trafficking in our supply chains or in any part of our business. Our Code of Conduct reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to try and prevent slavery and human trafficking from taking place anywhere in our supply chains.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

We have in place systems to:

- identify and assess potential risk areas in our supply chains
- mitigate the risk of slavery and human trafficking occurring in our supply chains
- monitor potential risk areas in our supply chains
- protect whistle blowers.

As part of our initiative to identify and mitigate risk we require all merchandise suppliers to confirm their commitment to the principles of our Code of Conduct. We also require them to provide documentary evidence to support this commitment which may be a copy of their own Code of Conduct and implementation process or alternatively a copy of a current audit to either the ETI or SA8000 standard carried out by an independent third party company.

In the absence of any of the above, we reserve the right to request an audit by an internationally recognised company against the BSCI Code of Conduct as a pre-condition for starting business with a supplier.

We have formal, written policies and procedures encouraging staff to speak out about any concerns or risks. Our HR Policies include a Bullying and Harassment Policy and the Whistleblowing Policy. These policies are in place to ensure that an individual can raise any concerns, in good faith, that Modern Slavery in whatever form may be taking place within our company or its supply chain. Individuals who raise such concerns are protected from any form of detrimental treatment even if they turn out to be a mistake.

SUPPLIER ADHERENCE TO OUR VALUES AND ETHICS

We have zero tolerance to slavery and human trafficking. We have in place a supply chain compliance programme to require all those in our supply chain and to comply with our values and ethics.

To meet all requirements as set forth in our Code of Conduct and in national laws, we require business partners to establish a set of management functions. This includes clear responsibilities, procedures and appropriate documentation to demonstrate compliance with our Code of Conduct and national laws. The management is responsible for continuous improvement.

We require our business partners to establish and maintain appropriate procedures to select subcontractors based on their ability to meet the requirements of this standard, to monitor their social performance and to maintain reasonable evidence that there is an improvement process taking place.

We commit ourselves to observe and ensure the implementation of our code of conduct within our own organisations as well as our business partners'. For this purpose, the Otto Group, us or an authorised 3rd party may at any time and without further notice inspect all its business partners' and their subcontractors' sites for monitoring purposes.

Any Inspector will identify themselves as being authorised by the Otto Group or us upon entering the business partner's or subcontractor's premises. Preventing the inspector from entering despite a clear mandate amounts to a positively established violation.

We commit ourselves to act upon inspection findings which reveal the violation of any of the stipulations set forth in our code of conduct.

Business partners and their subcontractors are obliged to correct any deviations found during inspections and continuously work on the improvement of social standards. Appropriate time for remediation will be given as well as support and advice provided.

We shall terminate business relations without further notice in cases where rights violations prevail under the condition that the violation has been communicated to the business partner, that a reminder has followed within a reasonable period and under the condition that the business partner has not brought forward justified reasons for a delay of implementation in conjunction with the sincere intention of attending to the matter as soon as possible.

During the financial year 2019-20, we increased supplier audit activity by 10% compared to the previous financial year.

We improved our on boarding process for new suppliers to ensure that our partners understood and applied our code of conduct from the very inception of our relationship.

We have appointed a UK Sustainability Champion who's role will include the development of policy and implementation of best practice to create enduring relationships with our partners. We have also appointed a UK Supply Chain Expert who will provide technical expertise to improve social and ecological factors throughout the supply chain. These appointments will further develop our capability and focus on developing and educating our suppliers and their workers.

TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff.

We ask that our Code of Conduct be freely accessible and understandable to all employees of our business partners and stipulate that employees shall receive training on their rights and obligations as defined by our Code and on applicable local laws.

The content of this Code is communicated to all business partners and their contractors to ensure that the required standards are effectively observed.

All new employees to our company are inducted and trained in the company values, risk and issue reporting via the ERIS process and our Whistleblowing procedures.

OUR EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

The public is informed about our social conduct issues and developments on an ongoing basis using the Otto Group Sustainability Report (available online and in print) as well as the website www.ottogroup.com.

This statement has been approved by the Board of Directors.



Chief Executive Officer
14th August 2020