

BESTSELLER'S MODERN SLAVERY STATEMENT 2015/16

This statement is published in accordance with the UK Modern Slavery Act 2015. It describes the steps taken by BESTSELLER A/S, which has a subsidiary in the UK, within the financial year ending 31 July 2016 to prevent modern slavery and human trafficking in our supply chain.

ORGANISATIONAL STRUCTURE AND SUPPLY CHAIN

With a range of more than 20 individual fashion brands, BESTSELLER provides fashion clothing, footwear and accessories for women, men, teenagers and children. BESTSELLER brands and products are available online, in about 3,000 branded chain stores and 15,000 multi-brand and department stores across most of Europe, The Middle East, North and South America, Australia and Canada.

BESTSELLER has no ownership interests in the production chain but cooperates with approx. 400 suppliers manufacturing at approx. 800 factories in 31 countries across Asia and Europe. With our 20by20 Sustainability Strategy we continuously do our utmost to ensure that our products are manufactured under responsible conditions, including the respect for human rights. Our Code of Conduct sets out our demands to suppliers, and our audit programme is the core mechanism for ensuring that suppliers comply with our demands.

BESTSELLER has buying offices in the 6 main production countries, and in total, we have more than 25 colleagues working exclusively to assist our suppliers in building capacity to make long-term improvements at their factories.

BESTSELLER acknowledges that a collaborative approach is needed in order to find solutions to industry specific issues. Therefore, we engage in multi-stakeholder initiatives and coalitions such as the Ethical Trading Initiative and the Sustainable Apparel Coalition.

POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

In our Code of Conduct, we set high demands to our suppliers and their sub-suppliers to ensure among others the respect for human rights and labour rights at the production facilities. As a supplement to our Code of Conduct, we have specific policies and procedures, such as our Human Rights policy, Child Labour Policy, Homeworking Policy and Migrant Worker Policy.

DUE DILIGENCE PROCESSES

We seek to minimise the adverse impacts of our business in our own operations as well as in our supply chain. Our due diligence procedures are based on the 'Un Guiding Principles on Business and Human Rights', and with these we work to:

- Identify, prevent and mitigate any risk of adverse impact on human rights in all our operations and business relationships
- Consider any adverse impact we may cause or contribute to through our supply chain practices, as well as the adverse impact we may cause or contribute to within our own business
- Remediate any direct or indirect adverse impact that our business operations have on human rights
- Promote the respect for human rights among our employees, partners, suppliers and other business relations
- Report on and account for our work with human rights continuously and once a year

Based on our due diligence processes, we have identified that the highest risk of violating human rights is in our supply chain, and we have identified forced labour, discrimination and child labour to be the most likely forms of slavery and human trafficking.

PREVENTION, EFFECTIVENESS AND TRAINING

In order to avoid adverse impact on human rights in our supply chain, we take necessary measures to improve working conditions for the workers and to protect their rights. The foundation of our due diligence in the supply chain is our basic audit programme, where third party auditors check up on the factories' compliance with our Code of Conduct and identify issues that might need to be prevented, mitigated or remediated. In addition, we have our own local sustainability teams in the major production countries who visit the factories frequently and engage with suppliers to raise awareness and build capacity of the workers. In the past financial year, BESTSELLER and third party auditors have visited our supplier factories 1284 times. From this work we strengthen our knowledge about where and how to engage further.

Through our Social Engagement Programme we work closely with key suppliers to support them in implementing systematic improvements in order to ensure better working conditions in their factories. Our aim is to help create a strong foundation for management and workers, which they can use in their further joint efforts to ensure workers' rights in the factories.

As an example, this year, we have engaged suppliers in the 'Joint ETI Social Dialogue Programme' in Bangladesh supported by Danida. The aim of this programme is to strengthen the workplace social dialogue between workers and management in collaboration with relevant stakeholders. Among others, this will prevent worker unrest and empower workers to negotiate better working conditions for themselves.

Read more about our work to ensure human rights and labour rights in our supply chain in our Sustainability Report 2015/16: <http://about.bestseller.com/sustainability/sustainability-report>

Download our policies here: <http://about.bestseller.com/sustainability/policies-and-guidelines>

This statement is signed off by the owner and CEO of BESTSELLER, Anders Holch Povlsen.

