

# Modern Slavery Statement - 2021

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## MODERN SLAVERY

Modern slavery takes many forms, but commonly encompasses slavery, servitude, and compulsory labour. Human Trafficking is the travel of another person for the purposes of exploiting them. Modern slavery and human trafficking often include the use of violence or coercion to transport, recruit, or harbour people to exploit them for forced and compulsory labour, bonded labour, and some forms of child labour. Victims of modern-day slavery are commonly in a position whereby they have no real opportunity or possibility of freeing themselves from their situation. Modern slavery and human trafficking are crimes and a serious violation of human rights.

Sweaty Betty is committed to improving our practices to combat modern slavery and human trafficking. This includes our own operations and those of our suppliers. Our work to tackle modern slavery will be an evolving process, where we will continue to engage with and assess our suppliers and business partners. We are also committed to sharing best practice across our network to harness opportunities to bring about positive change as well as reduce risk.

## OUR BUSINESS

Founded in Notting Hill, London in 1998 by Tamara and Simon Hill-Norton, Sweaty Betty is a global activewear and lifestyle brand for women. Synonymous with delivering a strong creative direction with high-performance elements, the brand has established a fiercely loyal following over the years. Sweaty Betty takes great pride in offering high quality products whilst advocating female empowerment, inclusivity, and diversity. With over 800 employees globally across the UK, US, and China, Sweaty Betty is focused on continuously improving the social and environmental impact of its business operations. We believe in creating long lasting products that are produced in a socially responsible way. To support this goal, we have introduced a business wide 'Sustainability Strategy' and continue to improve/enhance our Supply-chain Code of Conduct to drive this. The Supply-chain Code of Conduct will continue to drive compliance on driving best practices, tighter quality controls, stronger chemical testing management and more socially and environmentally responsible production management processes (alongside risk management guidelines for mitigating and remediating violations to our Supply-chain Code of Conduct and wider impact on people and the planet). Our Supply-chain Code of Conduct states our zero-tolerance approach to modern slavery and that employment is freely chosen, child labour will not be used, living wages are paid, working hours are not excessive, and no harsh or inhumane treatment is allowed.

Sweaty Betty has celebrated incredible success over the years, headquartered in the UK and operating globally across retail, ecom and wholesale channels. The brand was successfully acquired by Wolverine Worldwide in 2021 and continues to grow its multi-territory business.

## OUR COMMITMENT

Sweaty Betty continues to grow significantly within the activewear sector and has invested into its people and ethical practices of the business.

Over the course of the last 12 months, Sweaty Betty has:

- Continued to build out an experienced Product Development and Production team that focuses on our global sourcing strategy & product management.
- Consolidated our supply base to a leaner network of best-in-class vendors to support our growth, which will continue through 2022.
- Recruited a Sustainability Consultant to support Sweaty Betty's long term sustainability strategy and hired an in-house Sustainability Manager.
- Gathered information from suppliers in 2021 on environmental and social sustainability factors, including labour standards.



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- Appointed and remunerated DEI leads (Chair, Secretary, Communications Lead) to our DEI committee to continue to drive positive change within Sweaty Betty, directly feeding into the overall strategic goals of the business.

## OUR SUPPLY CHAIN & DUE DILIGENCE PROCESS

All Sweaty Betty suppliers are required to meet the ethical, social, and environmental criteria outlined in our "Supply-chain Code of Conduct" and before onboarding a new supplier, we conduct a thorough evaluation of their business operations including 3rd party auditing. All factories that manufacture goods for Sweaty Betty are required to have an independent 3<sup>rd</sup> party audit every 12 months (minimum). Sweaty Betty can accept accredited 3<sup>rd</sup> party audit reports conducted for other retailers that are within 12 months. Where violations of our Code of Conduct are found, a corrective action plan (CAP) will be agreed between the factory and the auditing body. If a supplier operates in, or sources directly from a conflict affected area, they must perform human rights due diligence to assess the heightened risks of adverse human rights impacts. A supplier must also have a zero-tolerance approach to modern slavery and must accept its responsibility to implement sufficient systems and controls to safeguard against any form of modern slavery and to protect the rights of workers and recognize this is an ongoing journey. There is also zero tolerance of the use or recruitment of child labour. Sweaty Betty will support and work closely with suppliers who strive for continuous improvement in workplace standards in accordance with our Code of Conduct. However, Sweaty Betty will cease to conduct business with any supplier not prepared to operate in accordance with local law and our Code of Conduct.

## GLOBAL SOURCING MAP 2021

As of 2021, Sweaty Betty manufactures its products in 11 countries, through 43 Tier 1 suppliers:

- 1 of our suppliers have had a longstanding relationship of 10+ years with us.
- 32 suppliers have partnered with us for 3+ years.
- 100% of our suppliers have up to date audits in place.
- 100% of our suppliers also work for other brands.
- List of territories for countries of origin;
  - China
  - Turkey
  - Portugal
  - Vietnam
  - Cambodia
  - Italy
  - Sri Lanka
  - UK
  - Indonesia
  - Philippines
  - Peru



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## SUPPLY CHAIN AUDITING

Sweaty Betty does not own or operate any factories. All suppliers that produce goods for Sweaty Betty must hold a valid third-party ethical audit with corrected non-compliances. Sweaty Betty will not onboard a new supplier without a valid fully compliant third-party ethical audit.

To minimize audit fatigue for our suppliers, Sweaty Betty accepts ethical audit reports requested by other retailers or brands that meet our minimum requirements (approved independent auditing company, non-modifiable, ETI base code etc.). These audits will include health and safety reports, working hours, site inspections, interviews with workers in their local language.

Our audits follow the traffic light grading scheme (Red, Amber and Green). Where violations of our Code of Conduct are found, a Corrective Action Plan (CAP) will be agreed between the factory and the auditing body. The supplier is required to complete the CAP within the Sweaty Betty specified time frames. Sweaty Betty will continue to work with suppliers who show progress towards full compliance with our Code of Conduct and who strive for continuous improvement of standards in the workplace.

If an audit is recorded as a Red grade, we will cease manufacturing with the supplier until necessary remedies to address the causes for the red grading are thoroughly addressed and rectified. Amber classified issues are often more complex, and we will work with the supplier on CAP remediation. We continue to look for opportunities to realize improvements to our internal auditing process.

Where there are egregious violations, such as child labour, forced or prison labour, or physical abuse and/or the supplier does not demonstrate a willingness to comply, Sweaty Betty reserves the right to discontinue business with the supplier, terminate any existing contractual arrangements and cancel existing orders. Moreover, Sweaty Betty may be required to report known violations of applicable laws to local authorities.

Prior to the global lockdowns required to address the COVID-19 pandemic, the SB Product Team regularly visit our suppliers and their factories to communicate and manage our requirements and expectations with regard to modern slavery. Over the course of the last 12 months, we have replaced international travel with more in-depth video conferencing communication. We recognize that this doesn't supplement in person communication and will re-instate business travel when it is possible to do so safely.

## OUR POLICIES

### Equal Opportunities:

At Sweaty Betty, we really value the diversity of our people. We recognise that everyone has a right to work in an environment which provides equal opportunities for all, regardless of race, colour, nationality, religion, sex, sexual orientation, gender reassignment, marital status, age, disability or any other need.

We are committed to be a business in which equality of opportunity is a reality and in which every individual can seek, obtain, and enjoy employment without unfair discrimination. We will do our best to ensure that Sweaty Betty is a place where individuals are treated equally and fairly and decisions on recruitment, selection, training, pay, promotion, and career management are based solely on objective and job-related criteria.

We require all our team members to co-operate with measures introduced by us to ensure equal opportunity and non-discrimination and to inform their manager or our People Team if they suspect that discrimination is taking place. If any of our team members discriminate against or harass another member of our team, such conduct will not be tolerated, and appropriate disciplinary action will be taken.

If someone believes they have suffered discrimination, they should notify their manager or our People Team soon as possible. Team members can either follow our Grievance Policy or our Bullying and Harassment Policy to raise a complaint about discrimination. If someone feels unable to use either of these, their complaint may be raised directly with our People Team.



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## Whistleblowing:

Sweaty Betty wants to conduct its business with honesty and integrity and believes that it has a duty to take appropriate measures to identify and remedy any malpractice within or affecting the organisation. We expect all our team members to maintain high standards and to report any wrongdoing that falls short of those standards. Sweaty Betty's Whistleblowing policy provides guidance on how to do this and is available to our employees on the internal intranet.

## LOOKING TO THE FUTURE IN 2022

Over the course of this fiscal year, we will:

- Continue to drive and promote best practices in chemical management from design and sourcing, through to training throughout our Tier 1 supply chain as well as performing regular audits on products.
- Set targets for improving wider visibility of our supply-chain beyond Tier 1. With the aim to achieve 100% visibility throughout our supply network by 2025.
- Set targets for the implementation of more responsibly sourced raw materials.
- Conduct more in depth responsible and ethical sourcing training programs which will include modern slavery across the product teams.
- Continue to upskill and train our leaders, managers and employees on our Supply-chain Code of Conduct.
- Continue to review all our current policies to ensure they reflect existing, new and upcoming topics in line with requirements within the industry.

This statement has been reviewed and approved by the Chief People Officer of Sweaty Betty.

