

## **Lloyd Shoe Company (Holdings) Limited Modern Slavery Act Statement 2016**

This statement is published in accordance with the Modern Slavery Act 2015 and outlines the steps taken by Lloyd Shoe Company (Holdings) Limited (“Lloyd”) and its subsidiaries/associate companies during the financial year ending 31<sup>st</sup> August 2016 to prevent modern slavery and human trafficking in its business and supply chains. It has been approved by the Board of Lloyd and signed by Rebecca Munday, Commercial Director of Lloyd Shoe Co Limited.

### **About Lloyd**

Lloyd was established in 1986 and is a footwear concession retailer providing staffed and unstaffed concessions to Host-branded Footwear Departments across the UK, Eire and Mainland Europe. Lloyd also supply the footwear packages to concessions in the US and 80 further franchise partners spread over 26 countries across the rest of the world. Lloyd’s Head Office is in London with two warehouses based in Nottingham UK and Boston USA run by Third Party providers.

Lloyd is committed to providing footwear to our customers that have been produced under acceptable conditions. Goods we offer for sale must have been produced:

- Lawfully, through fair and honest dealing;
- Without exploiting the people who made them;
- In decent working conditions.

Lloyd have assessed their business base and determined three areas requiring review in relation to the Modern Slavery Act;

- 1 Concession Staff
- 2 3<sup>rd</sup> Party suppliers of business services and facilities
- 3 Footwear Supply Chain

### **Concession Staff procurement**

This area is identified as one of very low risk. Lloyd interview and recruit staff directly from advertisements and do not use agencies or temporary provided workers from agencies.

All staff must produce documentation showing their address and proof of identity documentation to continue employment and proof of their legality to work in the UK. Visas are reviewed and we work in partnership with the Home office when required to identify workers.

All staff must also supply documentation to the Host store to pass the Host’s health and safety legislation and instore induction training.

We are confident because of our stringent registration of staff and our non-use of agency workers we are employing individuals who are free to work and move in the UK.

### **3<sup>rd</sup> Party Suppliers of business services and facilities**

This area is felt to be one of low risk but it has been identified as needing further review. Lloyd split this area into 3 sections;

- 1 Service providers for all Stock movements, Warehouse, Freight Forwarder and Parcel service provider,
- 2 Service providers for Store services for example shop fitters, graphic suppliers
- 3 Head office facility suppliers for example cleaning contractor, operational supplies

Of the three areas above the two largest service providers, Warehouse provider and Parcel service provider, are also bound by the Modern Slavery Act legislation 2015 and their statement and procedures are now deemed to be essential to a continuing working relationship and an inherent requirement to any contract.

Lloyd's Freight Forwarder have been advised of Lloyd's requirements in relation to the Modern Slavery Act and discussions will continue regarding how they can support these requirements.

The service providers in areas 2 and 3 will require further review over the following financial year. Suppliers will need to be contacted for comment and their statements provided if available.

### **Footwear Supply Chain**

The supply chain is identified as the area of highest exposure to Modern Slavery for Lloyd.

Lloyd operated with a supplier base of 35 factories in 2015/16 with shoes predominantly being sourced from China.

Lloyd requires all factories who supply shoes to conform and agree to working within our Supplier Code of Conduct and Ethical Code. Our code applies to the Supplier, their manufacturer and any other person involved in the supply of footwear to our company.

Lloyd do state in our code of conduct that Suppliers must declare any sub-contractor involved with manufacture and failure to do this is a breach of the contract and could result in disengagement as an approved supplier.

It is the responsibility of the primary Supplier to Lloyd to ensure they communicate our Code and its requirements to all tiers of the supply chain and ensure our code is adhered to throughout.

Our Code of Conduct and Ethical Compliance is designed to be fair, achievable and easy to check and to promote the ongoing development of our suppliers. Our code is based on the International Labour Organisation (ILO) conventions and recommendations.

Before any orders can be placed with a factory our Compliance team ask the Factory to provide a current Audit.

Lloyd will only accept audits that have been completed in the last twelve months by one of the following approved 3<sup>rd</sup> party audit companies:

SMETA

BV

ITS

SGS

Audits must be either unannounced or semi-announced and consist of site visits, document and procedure reviews and unaccompanied interviews of the workers.

These audits, once received, are used by us to grade a factory and establish if they can supply footwear for Lloyd. Lloyd operate a widely used Red, Amber, Green grading scale.

Once a Supplier has been successful in being added to our Supplier list we then aim to build and develop ongoing relationships with them.

To maintain Supplier status with Lloyd, new audits are requested annually by our Ethical team for re-grading and review.

Any subsequent CAPR's (corrective action progress reports) for any non-compliances found are also reviewed and Lloyd aim to work with the supplier and factory to understand and support how these non-compliances can be rectified in a timely manner and relative to the risk of the matter highlighted as concern.

### **The year ahead**

Lloyd is committed to continue to address and minimise the risk of modern slavery and human trafficking across our business

Our aims for the next year are:

- Continue to review our Code of Conduct and Compliance Policies and produce an updated document for Suppliers in time for our Audit review process.
- Provide updates and training for our Ethical team on the risks of Modern Slavery and Human Trafficking in the Supply Chain.
- Communicate the risks of Modern Slavery and Human Trafficking to our Buying teams and make them aware of aspects to look out for when attempting to engage new suppliers
- Engage our buying teams in conducting factory visits as part of their buying trips and provide training on how to engage with the supplier on this topic.
- Request Modern Slavery statements from all applicable Suppliers to the business as part of the annual audit and contract reviews.
- Engage 3<sup>rd</sup> Party Suppliers of business services to supply statements and illustrate, through their policies and procedures, their commitment to the Modern Slavery Act 2015

This statement was produced in conjunction with the Compliance Manager, shown to the Board at the February Board Meeting on 8<sup>th</sup> February 2017 and signed by Rebecca Munday, Commercial Director.