

Lloyd Shoe Company (Holdings) Limited Modern Slavery Act Statement 2018

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 31st August 2018 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 Wilson, Commercial Director of Lloyd Shoe Co Limited.

Lloyd’s Commitment

Lloyd is committed to providing footwear to our customers which 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 re-assessed their business base and have again determined three areas which warrant regular review in relation to the Modern Slavery Act;

- 1 Concession Staff
- 2 3rd 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, proof of identity 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.

3rd Party Suppliers of business services and facilities

This area is felt to be one of low risk, but it is identified as needing regular 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 are fully aware of Lloyd's commitment to the provisions within the Modern Slavery Act and discussions continue regarding how they can support these requirements.

Suppliers will be asked to provide their most recent Modern Slavery Act statement and copies will be retained at Lloyd's Head Office for review as part of the annual Audit reconciliation process.

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 36 factories in FY 2017/18 with shoes predominantly being sourced from both India (Men's) and China (Ladies).

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 3rd party audit companies:

SMETA

BVCPS

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 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 and update our Code of Conduct and Compliance Policies for Suppliers.
- Continue to provide updates and training for our Ethical team on the risks of Modern Slavery and Human Trafficking in the Supply Chain.
- Continue to 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
- Encourage and educate our buying teams on conducting factory visits as part of their buying trips and provide training on how to engage with the supplier on this topic.
- Request current year Modern Slavery statements from all applicable Suppliers to the business as part of the annual audit and contract reviews.
- Engage 3rd Party Suppliers of business services to supply updated statements, illustrating their continued commitment to the Modern Slavery Act 2015

This statement was produced in conjunction with the Compliance Manager, shown to the Board at the March Management Meeting on 13th March 2019 and signed by Rebecca Wilson, Commercial Director.



Rebecca Wilson

Commercial Director

DATE

29.3.19