

SMALLWORLD ACCESSORIES LTD
MODERN SLAVERY STATEMENT

Smallworld Accessories is committed to ethical and responsible sourcing as a part of our business's core values. This commitment includes ensuring we have a robust approach to addressing important human rights issues, including forced labour and human trafficking within our supply chain.

We share our strategies in these endeavours through this Modern Slavery Act statement. The below has been written in accordance with the section 54 of the Modern Slavery Act 2015. Even though Smallworld is below the financial threshold that requires a statement by law, we believe it is important to highlight our activities and commitment in relation to slavery and trafficking, and the way which we undertake to source responsibly.

Our business

Founded in 2016, Smallworld Accessories specialises in designing and delivering bespoke fashion accessories, as our own brand and in collaboration with customers. Smallworld Accessories works with over 1200 concession stores in the UK and Republic of Ireland. We employ 400 passionate individuals across the business, including 61 full-time employees.

Our product supply chain

Smallworld currently works with 11 Tier 1 factories: 8 in China, 1 in India, 1 in UK and 1 in Turkey. Our suppliers are carefully selected for their capabilities as well as their adherence to certain quality and ethical requirements. We rely on China for the majority of our hair accessories and girls product, while ladies jewellery is divided between China and India. Due to the nature of our products, raw materials, fabrics, and components are purchased at open markets and processing and assembly occur at main production sites.

Smallworld Accessories has policies for all hired employees in accordance with appropriate local law. In addition, we have created policies, such as our Whistleblowing and Grievance policies, to support employees with raising any issues confidentially regarding hiring and employment practices. Smallworld employs a small number of part-time visual merchandisers under the age of 18, and completes a Young Person's Risk Assessment.

As members of the Ethical Trading Initiative we support the ETI Base Code and implement this code throughout our supply chain. We do not own any of our production factories, but suppliers sign contract agreeing to abide by the Smallworld Ethical Sourcing Policy and Code of Conduct as a part of the terms for trading. In addition to the Ethical Sourcing Policy, which details the Smallworld commitment eradicating Modern Slavery from our supply chains, supplier must agree to the Subcontracting Information Policy and Homeworking policy, which helps us understand the vulnerable and often unseen parts of our supply chain.

Smallworld Accessories has absolutely no tolerance for forced labour, physical or verbal abusive, and we expect that suppliers will always provide a safe and hygienic working environment for workers in our supply chain. If evidence of these issues are found, corrective action needs to be immediate and can lead to loss of business.

Areas of risk in business

Based on our research, our biggest area of risk related to slavery and human trafficking is in our supply chain. Our priority is to support factories in understanding our requirements and build relationships of trust. Auditing is an essential tool to identify potential risks. 100% of our first tier factories are formally audited by a 3rd party approved auditing body every year against the ETI Base Code. Smallworld only works with specific recognized organizations to conduct and review audits regularly.

Although we do not rely on these audits alone, we use them as an instrument to gain information on our suppliers and as an internal metric. We also share these audits with our customers as a part of our working relationship with them. We have identified approximately 2000 workers in our Tier 1 factories, the majority of which are women. In the past year, we have not had any non-compliances related to forced labour, treatment of workers, and discrimination.

Transparency

In addition to 3rd party audits, Smallworld conducts its own assessments and visits all first tier and many 2nd tier sites each year. On these visits we work with suppliers to understand the subcontracting and sourcing practices, focusing

on key issues apparent in the supply chain, delving deeper into supplier practices and worker issues. We have recently been gathering information on hiring practices and migrant labour in our supply chain. This includes how recruitment and agency is used and managed. We are in the process of compiling this information to build a best practice guide and training.

In the past year, we have added measures to help us and our suppliers share outsourced processes. One example is tracing specific styles from raw materials to final assembly and packaging, which is then reviewed with suppliers to better understand sourcing methods and offers us an opportunity to learn more about the indirect workers in our supply chain.

New supplier relationships

When a new supplier has been identified, we ensure that they understand and can meet the requirements of our Ethical Sourcing Policy before commencing a trading relationship. Smallworld uses Sedex to share audits and gain historic visibility of audit performance, and all audits are graded and reviewed before beginning production. We work closely with suppliers on closing all identified issues in an acceptable time frame. However, if no progress is made, Smallworld will not on-board the potential new supplier.

Supply Chain Mapping

We recognise that the occurrence of slavery and human trafficking is not unique to our international suppliers, but we believe that it is the highest area of risk for our business. Mapping and understanding our supply chains beyond our direct relationship has been one of our key priorities, as we believe that the most salient risks could be found in lower tiers of our supply chain.

Within our supply chain, we have begun a review of hiring practices as a part of our factory engagement. We work to understand how supply chains are managed, taking in account outside factors such as labour economics and local politics, as well as our own business ways of working that may apply pressure to suppliers. All relevant staff are trained and understand the effects of business decisions regarding lead teams, order processing, etc and the implications to workers in our supply chain.

Governance

At Smallworld, responsible sourcing is an integral part of how we conduct business. It is a part of the job specifications for all teams that work with in the supply chain. We conduct annual training regarding our supply base, vulnerable workers and the risks of modern slavery for buyers, merchandisers and designers. The responsibility to meet the requirements sits with our Responsible Sourcing Manager, who reports directly to the Managing Director.

Stakeholder Engagement

Smallworld works with our business partners, industry peers, and NGOs to strengthen our ability to ensure human rights are respected throughout our operations and product suppliers.

Smallworld conducts an internal training for all members of staff who work directly with our supply chain. This training covers aspects of the ETI base code and the responsibility of each member in relation to slavery and human trafficking.

Modern slavery and human trafficking can take many forms and are complicated issues. Smallworld considers modern slavery as a part of our broader ethical trading and worker rights programme within our business. Smallworld has taken steps to identify risk and is working to eliminate these risks. Since inception, we have

Improved Governance Policies

- Issued Supplier Contracts with appropriate human rights and responsible sourcing clauses in relation to commercial terms of agreement
- Issued Responsible Sourcing Policy, Subcontracting and Homeworking policies
- Launch employee policies – Whistleblowing and Grievance policies

Improve Supply Chain Transparency

- Mapped out Tier 1 and Tier 2 suppliers
- Conducted 3rd party audits for 100% of Tier 1 suppliers
- Visited and assessed selected Tier 2 suppliers
- Required suppliers declare all sub-contractors in relation to specific key styles

Provided Awareness training

- Rolled out ethical training for all employees who work directly in our supply chain