

MODERN SLAVERY STATEMENT - 2020

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 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, driven by our internal modern slavery working group. 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 for 'real women' whilst advocating female empowerment, inclusivity, and diversity. With over 800 employees globally across the UK, US, and China, Sweaty Betty is placing a renewed focus on its wider business operations as well as social and environmental impact.

We believe in creating long lasting products that are produced in a socially responsible way. To support this goal, we are introducing a business wide 'Sustainability Strategy' that will be supported by more structured brand standards. The supplier manual will focus on driving: best practice, process efficiencies, more effective quality control, better chemical 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).

Sweaty Betty has celebrated incredible success over the years, launching standalone retail spaces and concessions in the UK, US, and Hong Kong, whilst building a strong wholesale presence across North America and China. The brand diversified into a multi-channel retailer in 2019 and continues to grow its multi-territory wholesale business.

OUR COMMITMENT

Sweaty Betty continues to grow significantly within the UK activewear sector and further to our 2019 commitment to preventing modern slavery in its corporate activities and across its supply chains, with a zero-tolerance approach to slavery and human trafficking; we have invested significantly into the people and ethical practices of the business.

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

- Hired a Vice President of Product Development, Production & Garment Technology to ensure we have a diversified network of best-in-class vendors to support our growth.
- Built an experienced Product Development and Production team that solely focuses on our global sourcing strategy & product management.
- Created the role of 'Head of Garment Technology & Quality Control' to support the wider PDP function in delivering high quality product through a best-in-class supply chain.
- Introduced a more comprehensive 'Supply-chain Code of Conduct' applicable to manufacturers of all Sweaty Betty 'own brand' products which outlines Sweaty Betty's expectations in relation to working conditions within supplier operations and the environmental impact of our production.
- Initiated an MSA working group across the business (Logistics, Product & People) to oversee the implementation and progression of our MSA strategy and to enable us to identify & address high risk within our supply chain.
- Recruited a sustainability consultant to support Sweaty Betty's long term sustainability strategy.
- Lined up support to start gathering detailed information from suppliers in 2021 on environmental and social sustainability factors, including labour standards.

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 through site visits, and 3rd party auditing. All factories that produce goods for Sweaty Betty are required to accept unannounced, third party audits every 12 months (minimum). Sweaty Betty also accepts accredited audit reports conducted for other retailers. Where violations of our Code of Conduct are found, a corrective action plan (CAP) will be agreed between the factory and the auditing body. 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.



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GLOBAL SOURCING MAP

As of 2020, Sweaty Betty manufactures its products in 9 countries, through 47 Tier 1 suppliers:

- 1 supplier has 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

Our supply-chain is segmented into four main categories:

1. Sweaty Betty own-brand products.
2. Goods produced by 3rd party brands supplied to, and sold by, Sweaty Betty.
3. Goods not for re-sale: goods that are produced for our use but not sold to consumers (e.g. store fittings and fixtures).
4. Services supplied to Sweaty Betty (e.g. cleaners, catering, NDC Staff).

In 2019/2020 we built a strategy for mapping the supply chain for our own brand products - dividing our supply chain into 4 Tiers: We continue to use this tiering system to categorize our supply-

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| Tier 1 | Factories where primary manufacturing processes occur (e.g. cutting, sewing, bonding). |
| Tier 2 | Factories where secondary manufacturing processes occur (e.g. printing, washing). |
| Tier 3 | Inputs production (e.g. mills, dyeing). |
| Tier 4 | Raw materials (e.g. cotton, wool, polyamide). |

chain. We currently convey our brand expectations and supply chain management requirements to our first-tier suppliers who are required to implement these standards throughout Tiers 2 – 4. We acknowledge the risk of modern slavery can be greater further down the supply chain and therefore have a sub-contracting policy and are clear in our conditions of trading that any sub-contracting must be declared to Sweaty Betty to receive a written confirmation and a full audit before using these factories for Sweaty Betty production.

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 and 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.

Prior to the global lockdowns required to address the COVID-19 pandemic, the Sweaty Betty Product Team regularly visit our suppliers and their factories to communicate and manage our requirements and expectations. 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.



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OUR RESPONSIBILITY FRAMEWORK

Under our responsibility framework we have three key focus areas; our planet, our people, and our foundation.

Planet:

A sustainable future IS the future. For our communities, our people and our planet. We are committed to making a positive impact. For good. Our goal for 2021 is to define clear environmental focus areas and set long-term goals for each. In addition, we will be measuring our entire carbon footprint (Scope 1, 2 and 3) and plan to align with the Science Based Targets Initiative.

People:

We care about our people, our community, our world. And we want to stand up for what we believe in. We want to give our people a platform to use their voice, and actively listen and learn from what they have to say. Sweaty Betty provides training to our leaders, managers and teams about their rights under our Equal Opportunities and Inclusion Policy. This means doing more and working harder to make the long-lasting changes necessary to become an equal, diverse and actively inclusive company. Ultimately, we're working to create a culture and team that represents our customers, our community and our mission of empowerment.

Sweaty Betty Foundation:

Our focus for the next five years is to enable the least active girls aged 10-18, particularly those from lower income and diverse backgrounds, to try new activities at school, at home, and in their communities, to find what they love to get them active, and stay active, for life.

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 or disability.

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 opportunities 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.

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 of our team members to maintain high standards and to report any wrongdoing that falls short of those standards. Sweaty Betty's policy provides guidance on how to do this and is available to our employees in our People Guide (Employee Handbook) or on the internal intranet.

LOOKING TO THE FUTURE IN 2021/22

Over the course of this fiscal year, we will:

- Go beyond minimum chemical compliance in our supply chain and commit to promoting best practice in chemical management, which will include training in local language throughout our Tier 1 supply chain as well as performing regular tests 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.
- Set targets for more in-depth responsible and ethical sourcing training programs across the product teams.
- Continue to upskill and train our leaders, managers and employees on our Equal Opportunities & Inclusion Policy and Supply-chain Code of Conduct.
- Continue to ensure our policies relating to modern slavery are evolving in reaction to the requirements within the industry.

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

