

BEAVERBROOKS

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Introduction

Modern slavery is a heinous crime and a morally reprehensible act that deprives a person's liberty and dignity for another person's gain. It affects millions of people around the world, including many in developed countries, who are being kept and exploited in various forms of slavery.

At Beaverbrooks, we have a zero-tolerance approach to modern slavery, and are fully committed to preventing slavery and human trafficking in our operations and supply chain. We fully support the government's objectives to eradicate modern slavery and human trafficking.

We call upon all suppliers we engage with to influence their global supply chains by improving transparency and accountability; and together we can help the government eradicate the injustice and brutality of modern slavery and human trafficking.

This is the first modern slavery and human trafficking statement produced by Beaverbrooks the Jewellers Limited. It has been published in accordance with section 54 of the UK Modern Slavery Act 2015. The statement sets out the steps taken by us during our financial year ended 25 February 2017, to address the risk of slavery and human trafficking in our operations and supply chains.

Our business and supply chains

Beaverbrooks provides exceptional quality jewellery and watches, along with many sought after brands. At Beaverbrooks, impeccable quality and unparalleled service are at the heart of everything we do. Our business and culture are built around corporate philanthropy. Our purpose is that of Enriching Lives, which simply means making a positive difference to the world we live in, our customers, our people, our suppliers and wider communities.

We purchase jewellery and services from over 1,000 direct suppliers, 95% of which are based in the UK. Beaverbrooks has been a highly trusted jewellery and diamond specialist since 1919. Still family-owned we benefit from long standing relationships with many of our suppliers. Procurement of jewellery and watches is managed through our central department of specialist buyers. Procurement of services and non-stock supplies is managed and authorised by the Senior Management and Executive Leadership teams.

We establish a relationship of trust and integrity with all our suppliers, which is built upon mutually beneficial factors. Our supplier selection and on-boarding procedure includes due diligence of the supplier's reputation, respect for the law, compliance with health, safety and environmental standards, and references.

Beaverbrooks are accredited members of the Responsible Jewellery Council. Re-accreditation for a further 3 years was awarded in 2015 following a full two day independent audit. Beaverbrooks fully support, uphold and promote the RJC Code of Practices which address human rights, labour rights, environmental practices, mining

practices, product disclosure and many more important factors in the jewellery supply chain. The values and culture within Beaverbrooks to conduct business in the right way, ethically, morally and philanthropically are akin to those values which are tightly woven within the RJC Code of Practices. This provides our customers with the assurance that not only do we sell beautiful jewellery of the highest quality, it has also been sourced and manufactured in an ethical and responsible way.

We have not been made aware of any allegations of human trafficking or slavery activities against any of our suppliers, but if we were, then we would immediately cease trading with the supplier and report it to the authorities

Policies

Beaverbrooks operates the following policies for identifying and preventing slavery and human trafficking in our operations:

- Recruitment Policy – we operate a robust recruitment policy, including conducting eligibility to work in the UK and reference checks for all employees to safeguard against human trafficking or individuals being forced to work against their will.
- Whistleblowing Policy - we encourage all employees, customers and suppliers to report any suspicion of slavery or human trafficking without fear of retaliation. All concerns can be reported via iamconcerned@beaverbrooks.co.uk. We also provide independent support to all employees through access to the Retail Trust on 0808 801 0808 or helpline@retailtrust.org.uk.
- Code of Conduct - our code 'the Beaverbrooks Way' encourages employees to do the right thing by clearly stating the actions and behaviour expected of them when representing the business. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating and managing our supply chain.
- Purchasing Code - we have updated our Supplier Agreement to make explicit reference to slavery and human trafficking. Every supplier of diamonds or diamond jewellery to Beaverbrooks has given a written assurance that all diamonds purchased by us are conflict free and conform to the ideals of the "Kimberley Process Certification Scheme" which came into effect in January 2003.

Supplier due diligence

Beaverbrooks conducts due diligence on all new suppliers during on-boarding and on existing suppliers at regular intervals. This includes:

- Supplier Agreement issued every year setting out our expectations of our suppliers with regard to:
 - Kimberley process and gemstone confirmation
 - Dirty Gold and Conflict Minerals
 - Responsible Jewellery Council code of ethics
- We require all suppliers to attest that:
 - They are fully compliant with the Modern Slavery Act 2015
 - They are fully transparent, accountable and auditable and free from ethical ambiguities
 - They don't use any form of forced, compulsory or slave labour
 - Their employees work voluntarily and are entitled to leave work
 - They provide each employee with an employment contract that contains a reasonable notice period for terminating their employment
 - They don't require employees to post a deposit/bond and don't withhold their salaries for any reasons
 - They don't require employees to surrender their passports or work permits as a condition of employment

- Sanctioning suppliers that fail to perform in line with our requirements

Risk of slavery and human trafficking in our business

During the year we have conducted a risk assessment of our supply chain by taking into account:

- *The risk profile of individual countries based on the Global Slavery Index* – all of our direct suppliers are within the Global Slavery Index 'low prevalence of modern slavery' category.
- *The business services rendered by the suppliers* – we have assessed the level of risk with our product suppliers to be low. This assessment is supported by the requirements of our Supplier Agreement pack, involvement with the Kimberley process and the thorough audit we complete for our Responsible Jewellery Council membership. We are now aware that our assessment of risk of our non-product suppliers is not as robust and we will be working with these suppliers during the 17/18 year to ensure awareness and compliance of the Modern Slavery Act can be demonstrated in all cases.
- *Length of business relationship and knowledge of supplier operations, ethics and policies* – we place great emphasis on building and maintaining strong, respectful relationships with our suppliers. Many of these relationships have been in place for several generations of our family business. Regular communication with senior management figures and opportunities to visit operational sites gives us confidence in the alignment of ethical beliefs including those underpinning the Transparency in Supply Chains provision.
- *Response to Supplier Agreement request for information/policy agreement* - Within our product supply chain we have a 98% return rate for our 'Beaverbrooks brand' suppliers. For suppliers of watch and fashion product this reduces to 45% that either signed our agreement or provided their own Modern Slavery Act statement. We will focus on this group in the coming year to build our level of assurance.

A high proportion of our supply chain is based in the UK. Due to the nature of our business the original source of many of our core product components originate from a world wide supplier base. We will continue to work with our suppliers to ensure that to the best of our and their knowledge, our supply chain is free from abuse by slavery and human trafficking.

Awareness and Training

All members of the Executive Leadership and Senior Manager teams have been made aware of the Modern Slavery Act and Transparency in Supply Chains requirements. Key members of the Buying department have also received training in order to ensure compliance with the Act.

Our Modern Slavery Act Statement will now be circulated to all staff through our intranet and 'daily memo' facility.

In addition to the general awareness programme, Beaverbrooks is currently developing a suite of training tools encompassing the following information:

- Various forms of modern slavery in which people can be held and exploited
- The size of the problem and the risk to our organisation
- How employees can identify the signs of slavery and human trafficking, including unrealistically low prices
- How employees should respond if they suspect slavery or human trafficking

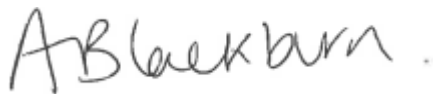
- How suppliers can escalate potential slavery or human trafficking issues to the relevant people within their own organisation
- What external help is available for the victims of slavery
- What terms and guidance should be provided to suppliers in relation to slavery policies and controls
- What steps Beaverbrooks will take if a supplier fails to implement anti-slavery policies or controls
- An attestation from employees that they will abide by Beaverbrooks anti-slavery policy

Measuring how we're performing

These performance indicators will assist us in assessing the effectiveness of the steps taken to ensure our supply chains are slavery free:

- Number of colleagues completing training on modern slavery within our sector
- Number of suppliers completing the MSA section of our Supplier Agreement
- Actions taken to strengthen and communicate our policies
- Number of modern slavery cases reported and actions taken
- Steps taken to initiate and strengthen supply chain management

This statement covers the 52 week period from 28 February 2016 to 25 February 2017 and has been approved by the board of Beaverbrooks the Jewellers Limited.



Anna Blackburn
Chief Executive Officer
30 October 2017