



## MODERN SLAVERY ACT

## TRANSPARENCY STATEMENT 2024

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The statement sets out the steps taken by Ultimate Products PLC and Ultimate Products UK Limited (Trading as Ultimate Products) to prevent modern slavery in its own business and supply chain for the financial year ending **31 July 2024**.

### **OVERVIEW & STRUCTURE**

As part of our wider Ultimate Products (UP) Environmental, Social and Governance (ESG) strategy, which provides a framework for assessing our company's impact on sustainability and ethical issues, we are committed to ensuring that the products we supply are sourced, manufactured, and delivered in a fair, ethical, and environmentally responsible manner. We strive to do the right thing and actively review these practices through our internal ESG structure, with modern slavery and ethical standards covered under the social (S) element.

As a Public Limited Company (PLC) and a retail brand house that sources, develops, and distributes our own branded consumer goods globally, we recognize the potential risks of modern slavery, both internally and within our supply chain. We are committed to fully understanding these risks and working to mitigate them in partnership with our suppliers and supply chain partners. This includes conducting annual risk assessments, setting key targets, regularly monitoring our performance, and continually improving our practices.

Our organisation has offices in the UK, China, Hong Kong, and a European showroom in Paris, France, along with distribution centres in the UK and leased warehousing facilities in Europe. The core of our supplier base is located in the Far East, with a smaller number in Europe, and our external logistics partners operate internationally.

We will not tolerate any form of modern slavery and will not knowingly work with any suppliers or logistics partners involved in slavery, human trafficking, or exploitation. Based on our risk assessments and reporting channels, we are confident that there is no evidence of modern slavery within our operations or supply chain this year.

### **RISK & RESPONSIBILITY**

In 2023, UP introduced a **Compliance department** to ensure that we meet both internal and external regulatory requirements.

Modern slavery compliance responsibilities fall under this department, and the team will continue to assess risks and conduct internal audits annually to identify areas for improvement. The department reports to UP's **Supply Chain Director** and will also present the findings of the annual risk assessment to the **Group HR and Operations Director**. Identified risks will be communicated to the Board of Directors, and necessary actions will be taken within an agreed-upon timeline.

In early 2024, the Compliance Department was restructured to bring **Ethical & Social Compliance** responsibilities back to the UK, which had previously been managed by a dedicated team member in our UP Guangzhou (GZ) office. The department ensures that our factories are audited by accredited third-party partners to the Ethical Trading Initiative (ETI) Base Code, maintaining our commitment to ethical standards. The ETI is a leading alliance of companies, trade unions, and Non-Governmental Organisations (NGO's) that promotes workers' rights globally and has established an internationally recognised code of labour practice. This Base Code sets minimum standards for ethical trade practices across global supply chains.

In April 2024, we partnered with Verisio, an independent and well-regarded organisation with extensive experience in supply chain risk management and expertise in social compliance, modern slavery and forced labour. Verisio works with retailers and businesses across a variety of sectors such as housewares to fashion and construction, helping organisations navigate complex supply chain challenges through their platform "Optimus", which combines auditor expertise with advanced technology to provide comprehensive supply chain mapping, risk assessment, and social compliance solutions.

Verisio services include:

- Supporting ethical audit reports and renewal requests.
- Risk-assessing all audit reports and providing risk gradings for every UP production site.
- Providing risk gradings and Corrective Action Plans (CAPs) to suppliers, with a requirement for suppliers to submit evidence and close non-conformances to improve the risk grading of each production site.
- Reviewing submitted evidence to ensure the root cause of non-conformances has been addressed before closure.

The aim is to strengthen our supplier base and drive continuous improvement, enabling us to better understand our reputational risks and identify ways to reduce and mitigate them.

Verisio will also assess and manage all UP Tier 1 manufacturing sites against our requirements as part of our updated due diligence process. In May 2024, the onboarding process began to upload all active UP suppliers and manufacturing sites to

the Verisio platform, “Optimus.” The platform was launched to suppliers in August 2024 and will be reviewed quarterly to assess factory cooperation, engagement, and compliance with the new process.

### **ANNUAL RISK ASSESSMENT**

The annual Modern Slavery internal risk assessment was reviewed and updated in May 2024. The Compliance department utilised training from **Stronger Together**, a not-for-profit organisation that is trusted and partnered with leading UK retailers and supermarkets. With extensive expertise in developing practical tools and resources, Stronger Together supports businesses in addressing Modern Slavery risks through collaborative, industry-wide approaches. Using comprehensive guidance, UP enhanced its risk assessment template with additional checkpoints to better evaluate potential risks within the business.

The internal risk assessment took place over June 2024, completed by the Compliance Officer utilising the My Compliance platform. The platform allows audits to be completed digitally – allowing for quicker reporting, CAP review and summary to be completed.

During our recent internal risk assessment, several key areas of opportunity were identified for enhancing our commitment to combating modern slavery within the business. These opportunities will help us strengthen our processes and align with best practices to ensure we are proactive in this crucial area:

- We have the opportunity to designate an official Board member responsible for modern slavery within the business. This will help us ensure that our strategy is well-defined, and that senior leadership is fully engaged in addressing these important issues.
- We can create a comprehensive investigation and remediation policy to ensure we have a structured response in place should a modern slavery incident occur. This will strengthen our approach to handling any challenges and demonstrate our commitment to addressing issues effectively.
- By establishing a Modern Slavery Workforce Incident Management team and a Remediation team, we can ensure that we have trained individuals ready to respond quickly and appropriately if an incident arises. This will enhance our ability to act swiftly and with purpose.
- Introducing Modern Slavery Champions throughout the business will be a valuable initiative. These champions can act as ambassadors for the cause, helping to monitor risk areas, share key messages, and promote awareness across the organisation.
- By strengthening our relationships with third parties such as local police forces and charities, we can ensure that we have additional support and guidance

available should a modern slavery incident occur. This collaborative approach will enhance our overall response capabilities.

- Providing enhanced Modern Slavery training for departments and roles that are identified as higher risk will allow us to better equip key teams to spot and respond to potential issues, fostering a more vigilant and well-prepared workforce.
- By incorporating more robust checks during recruitment and employee welfare assessments, we can further ensure that we are safeguarding our employees and promoting ethical practices throughout our workforce.
- We have an opportunity to enhance the monitoring of ethics within our supply chain. Providing modern slavery training to our suppliers will help ensure that they are aligned with our commitment to ethical business practices.

The **UP Modern Slavery Responsibility Plan** has been created by the Compliance department to run over a two-year period to make improvements to these areas and to prepare UP to become a Stronger Together Business Partner, as several major UK retailers and UP customers are Stronger Together partners and project sponsors. We want to be able to demonstrate our commitment to ethical practices, enhance our supply chain transparency, and collaborate with key stakeholders to drive meaningful change across the industry.

## **ACTIONS**

The actions identified through our internal modern slavery risk assessment are progressing as part of our Year One Responsibility Plan. We are pleased to report the following positive developments:

- The CEO has been designated as the primary lead for modern slavery oversight, reinforcing the highest level of commitment within the business. In addition, the Supply Chain Director has been assigned as the operational lead, with the Group HR and Operations Director overseeing the non-Board responsibilities.
- A group of Modern Slavery Champions has been chosen from various departments within the organisation. These individuals will undergo specialised training by the end of 2024, empowering them to lead the charge in raising awareness and monitoring potential risks within their teams.
- Roles have been clearly defined within our Workforce Incident Management and Remediation teams. These teams are equipped with designated personnel who are undergoing training to ensure they can respond effectively and efficiently to any modern slavery concerns.
- A series of additional training programs are being rolled out to further enhance staff awareness and understanding of modern slavery issues. These training

efforts are aimed at ensuring compliance with current legislation and equipping employees with the knowledge and skills to identify, report, and address modern slavery risks.

- We are actively working to build stronger relationships with key third-party organisations, including local police force and charities focused on modern slavery. These partnerships will provide essential resources and support, ensuring we are well-prepared to address any incidents that may arise.

These actions reflect our continued commitment to combating modern slavery and reinforcing a culture of responsibility, transparency, and ethical business practices across the organisation.

Further actions will be completed during the next financial year ending 31 July 2025.

## **OUR SUPPLY BASE**

We continue to be members of **SEDEX** and **Amfori**, two leading global platforms that promote ethical supply chain practices. These organisations provide comprehensive tools and auditing methodologies to assess social compliance, labour standards, and human rights across global supply chain networks. By leveraging these memberships, we instil the ethical working practices within our supplier base, to ensure international standards are met with compliance, and minimise the risk of modern slavery or human trafficking.

All new and existing suppliers are expected to acknowledge and commit to our Modern Slavery declaration statement on an annual basis via our **CAPTURE** supplier management tool. For new suppliers, this includes a discussion during our initial meetings to outline our expectations on modern slavery, followed by the declaration being returned by one of the supplier's senior management team. For existing suppliers, our expectations are reaffirmed each year, and the declaration is to be returned at this time. These declarations are stored centrally at our UK head office and are periodically reviewed.

Our **UP Supplier Manual**, the key document detailing our expectations and requirements, is distributed to suppliers for awareness, understanding, and compliance with our policies. It must be signed by our suppliers upon UP onboarding. The Supplier Manual has undergone a revision in 2024, including a supplier-specific Modern Slavery policy and procedure, along with the updated Ethical Audit policy and procedure, and also includes a new UP Code of Conduct and is due to be released to the supplier base in February 2025, alongside the UP Far East Supplier Conference, which will be presented by the Supply Chain Director.

The **UP Code of Conduct** sets out the expectations UP has of a preferred supplier within our business, including:

- Employment of their workers is freely chosen.
- Freedom of Association and the right to collective bargaining is respected.
- Working conditions are safe, compliant, and hygienic.
- Child labour is not used.
- Living wages are paid.
- Working hours are not excessive.
- No discrimination is practiced.
- Regular employment is provided.
- No harsh or inhumane treatment is allowed.
- Environmental impact is managed.
- Bribery or corruption is not condoned.
- Suppliers will fully comply to local laws and regulations.
- Suppliers will work with UP to identify and correct any issues in their operation that may breach this code. This includes raising any concerns suppliers may have independently.

This UP Code of Conduct is communicated to our supply chain every 6 months along with elements of modern slavery statement and anti-bribery confirmation which need to be signed digitally by every live supplier we are currently working with. This is managed within the Compliance department.

To aid responsible sourcing, we require that all factories within our supplier base have a valid ethical audit on file and complete the corrective actions for non-conformances found within the audit. Our ethical audit requirements are:

Accepted audit methodologies:

- SMETA 4 Pillar
- BSCI
- SA8000

Accepted audit firms:

- Any APSCA member firm and a verified CSCA-level auditor, the list of member firms can be found at [www.theapsca.org/apsca-member-firms/](http://www.theapsca.org/apsca-member-firms/)

Accepted audit announcement types:

- Semi-announced with a minimum 2-week window.
- Fully unannounced.
- We will accept fully announced audits only for the first audit provided to Verisio whilst our suppliers transition to our new requirements.

Audit reports can be rejected for any of the following reasons:

- The audit is outside of our standard validity period of 1 year (12 months from audit date).
- Factory information in the report does not match records.
- Not an approved audit methodology.
- Not an approved audit firm.

Regular monitoring allows us to have continued visibility of a factory's ethical standards and to review any progress or reoccurring issues or risks based on historical reporting. This monitoring is also supported by factory visits throughout the year by various members of the UK and GZ team.

### **RESPONSIBLE SOURCING**

We continue to be committed to responsible sourcing and where possible key product materials are certified to required standards. An example of this is ensuring that our timber-based products, packaging and instruction materials are FSC certified, which requires suppliers to be audited, included in the audits is the monitoring of health, safety and labour issues within the supply chain. The Forest Stewardship Council (FSC) certification is a globally recognised system that ensures wood and paper products come from responsibly managed forests. FSC certification covers crucial aspects such as environmental protection, biodiversity conservation, and respect for workers' rights. By choosing FSC-certified materials, we support sustainable forest management practices, promote social responsibility, and contribute to the fight against deforestation.

### **OUR SUPPLY CHAIN PARTNERS**

We will continue to monitor the transparency statements of our supply chain partners. We hold the details for key contacts within these partner organisations to ensure that we are able to question, challenge or investigate any areas of concern within their operations. Periodic visits are completed by members of UP to both our UK and EU warehousing partners and any concerns are to be reported to the Compliance department for investigation.

### **UP TEAMS AND RESOURCING PARTNERS**

Our HR department, using comprehensive procedures, can help to identify potential concerns of modern slavery within the UK and Far East workforce. These procedures are continually reviewed to ensure good performance and to minimise risk.

UP continues to avoid working with recruitment agencies for temporary warehouse staff to mitigate potential risks to the business. By regularly assessing the business's needs

and warehousing demand periods, we are able to adjust our permanent workforce to ensure it meets operational requirements.

Our dedicated HR resource in the Far East continues to support the UK operation by promptly identifying any workforce concerns and providing guidance and awareness on modern slavery to staff. This is especially important in supporting the UP internal Quality Control team and Sourcing department based in the China office. These team members are trained annually to help ensure that any evidence of modern slavery within our Far East factories is identified and reported to senior management, enabling swift and decisive action to address the issue.

### **FAIR PAY**

We are committed to providing fair pay for our workers and offer a range of colleague benefits and financial incentives that demonstrate this. In the UK, we are committed to offering pay rates that exceed the National Living Wage and are striving to achieve UK Living Wage accreditation in the coming years.

“During the financial year ending 31 July 2024, our entire UK workforce was paid a minimum of £11.50 per hour (Temporary roles) and £12.05 per hour (permanent positions), irrespective of age or gender, which were above the current National Living Wage rates.”

### **TRAINING AND AWARENESS**

The business requires that all key staff within our supply chain complete training on modern slavery to ensure they understand the risks of modern slavery and human trafficking infiltrating the business, its suppliers, or supply chain partners.

Internal staff training on modern slavery remains a priority, and all new colleagues receive training upon joining the company. Existing employees undergo annual training across all business sites. In addition, we provide training on Anti-bribery and Corruption and the UP Whistleblowing Policy to reinforce these key messages and ensure staff are equipped with the tools to report any instances of modern slavery. The internal Modern Slavery training video was updated for the UP annual training period in early 2024.

As highlighted in the annual internal risk assessment, further training and awareness are essential to strengthen our ongoing efforts to prevent modern slavery and human trafficking. This will include targeted training for specific roles and high-risk departments, regular refresher sessions, and a continuous review of training content to address emerging risks and ensure that our approach remains effective. We will also utilise the new Modern Slavery Champion team and the Colleague Consultation Group to raise awareness throughout the business.

Additionally, we will continue to periodically review internal policies and procedures to ensure their effectiveness, particularly in the event of major organisational changes, the

introduction of new legislation, the enhancement of existing legislation, or any breach of policy.

**OUR POLICIES AND MEASURING PERFORMANCE**

We welcome all colleagues, workers, suppliers, and supply chain partners to come forward if they suspect any violation of these standards, without fear of reprisal. We have a number of policies, procedures, and mechanisms in place within the business that enable our employees and partners to speak out and raise any concerns. These include:

- Whistleblowing Policy and procedure
- An independent Whistleblowing service provider
- Modern Slavery Act Policy
- Ethical Trading Policy
- Health & Safety Policy
- Compliance team
- Colleague Consultation Group
- Modern Slavery Champions and Remediation teams
- Global Annual Colleague Engagement Survey
- ESG Committee – all Board Directors and Non-Executive Directors sit on the committee.

**TARGETS AND KEY PERFORMANCE INDICATORS**

In order to measure the business is effective in ensuring that modern slavery and human trafficking is not taking place within the business or supply chains, we have a number of key performance indicators:

AREA	TARGET	2024 PERFORMANCE
Ethical Supplier Base	100% of suppliers to be audited	98.5% (additional 1.1% suppliers with audits booked)
Reported cases of Modern Slavery via Compliance or HR teams	0	0
Reported cases of Modern Slavery via Whistleblowing procedure	0	0
Number of new & existing suppliers signed up to Modern Slavery statement on CAPTURE	100%	97% (100% for Far East suppliers)
Number of live suppliers signed up to UP Supplier Manual (latest version)	100%	99%

We will continue to collaborate with our suppliers and partners to enhance our performance regarding modern slavery, with progress reported annually.

The areas of ongoing focus are:

- Ensuring that over 97% of live suppliers undergo ethical audits, with the remaining suppliers having audits scheduled.
- Ensuring that live suppliers maintain and improve standards by addressing non-conformances in their corrective action plans and conducting root cause analysis.
- Ensuring full supplier adoption of the current UP Supplier Manual, as well as the updated version upon its release in February 2025.
- Ensuring that suppliers formally acknowledge and commit to the UP Code of Conduct communication every six months.

It is crucial to maintain and strengthen our visibility into supplier standards and compliance in order to identify risks earlier and raise awareness of modern slavery across a broader segment of our supplier base through the UP Code of Conduct and Supplier Manual.

Internally, the business is committed to the continual improvement of our internal procedures and systems.

## **DECLARATION**

In doing so, this statement will be reviewed annually by the Board of Directors and any changes implemented thereafter. Andrew Gossage was authorised by the Board to sign this statement on their behalf.

This statement has been published in accordance with the UK Modern Slavery Act 2015, which requires businesses to disclose publicly the steps they are taking to tackle modern slavery each year.

Signed:  Signed by:  
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Position: Chief Executive officer

Date: 1/31/2025