

Modern Slavery and Human Trafficking Statement 2023

Introduction

At Lakeland our values underpin everything we do. Respecting human rights is important to both our colleagues and our customers. We are committed to a zero-tolerance policy on modern slavery, and we expect both our colleagues and our external partners to respect and adhere to the highest ethical standards in working conditions. We have a reputation for providing extraordinary service alongside quality, innovative products – always putting our customers at the heart of our business.

Our organisation

Lakeland is a UK, family-owned retailer with 60 years' experience specialising in cooking, baking, cleaning and home products. We employ around 1100 colleagues, most of whom are directly employed, and we recognise the invaluable contribution they make to our business.

We are a multi-channel retailer, selling our products through over 50 retail stores in the UK, our website and our catalogues. We also have virtual stores in a number of third-party marketplaces and an international franchise partner in the Middle East, with a number of franchise stores in this region.

Our supply chain

We have continued to make good progress over the last year expanding the mapping of our supply chain, and continue to ensure all ethical information is up-to-date. We have our own Asian sourcing offices in Shanghai and Hong Kong, to support and liaise with our Asian suppliers and factories.

Should we encounter factories with poor standards, we insist on remedial action. If a factory were to respond unsatisfactorily or refuse an audit, we would look to resource from another factory. We have experience in proactively actioning these measures when necessary.

We are always on the lookout for exciting, quality products that bring our customers the innovation they know and love from Lakeland. We sell a wide range of products sourced and created right here in the UK and take great pride in working with many small businesses with new and exciting ideas, and supporting them on the journey of bringing their products to market. This includes most of our food range, where we enjoy a close relationship with many small artisan producers.

While we are always exploring options to source more products closer to home, continuing to search for the very best products and innovation also sees us launch products manufactured further afield and from many different countries around the globe.

Our warehousing is company-owned and based locally in Kendal. Here, we receive thousands of products each year and then distribute them to our store network, third-party marketplaces, and to our franchise partner in the Middle East. We also work closely with a number of courier companies to distribute our home shopping parcels directly to our customers' homes.

Our policies

We're committed to ensuring that as a business we adopt high ethical standards. We also expect all suppliers and partners, wherever they are in the world, to do the same. We recognise it is our

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responsibility to ensure our suppliers are observing and adhering to our working practices, so we review and improve our policies regularly.

Lakeland company policies directly related to the identification and control of Modern Slavery include:

- New suppliers' selection, both branded and own label
- Anti-bribery and corruption policy
- Whistle blowing policy.

Due diligence

As the first point of contact with suppliers, our Buying department is responsible for ensuring compliance within the supply chain.

As part of our due diligence process, we expect all existing and new suppliers and partners to agree and sign up to our ethical declaration to ensure they meet our standards and comply with the requirements of the Modern Slavery Act 2015. Where appropriate, all new, directly sourced own-brand manufacturers are either visited by a member of the Lakeland team or a nominated third-party auditing body.

Lakeland undertakes to investigate thoroughly and quickly any instances of non-compliance to ensure all our suppliers adhere to the Modern Slavery Act 2015.

Lakeland is a member of the SEDEX ethical collaboration platform and we actively encourage suppliers to become members of SEDEX or comparable platforms such as BSCI. 70% of our supply chains are signed up to such platforms.

As part of supplier setup, we carry out risk assessments using the Transparency International's Corruption index, which is produced annually, to identify high risk countries. These assessments review both the supplier and product type to determine if we need further information. We organise audits or obtain audit reports for those suppliers of Lakeland-branded products in medium-risk countries or industries. From the audit results, the suppliers are then graded and reviewed at regular intervals. If a country should fall into the high-risk category and we already have established factories there we would continue with these factories as long as they maintained their ethical audit standards and we had no other cause for concern. However, we would not take on new factories in this country until moved back into medium risk.

For suppliers deemed lower risk, we clearly communicate our Modern Slavery Policy and ask for confirmation of compliance. We always require branded suppliers to confirm they meet these standards or provide us with their own policy documentation.

We assess our main suppliers of services – with risk assessments leading us to appraise our couriers and temporary agencies to ensure they have policies and procedures in place to mitigate the risk of Modern Slavery. We have further developed this area by distributing a modern slavery questionnaire to our major service suppliers such as employment agencies, waste providers and product refurbishment companies.

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We continue to monitor world events, and the reporting of the plight of the Uighur people in China resulted in a special examination of our supply chain to ensure we did not source any products from the Xinjiang region, where the Uighur people are predominantly from. We also re-evaluated audit reports to ensure questions are specifically asked around forced labour from the Uighur people. We also responded to the conflict in Ukraine by removing products of Russian origin from sale. We continue to monitor risks with use of the Transparency International's Corruption index to establish countries of high concern.

Measuring effectiveness

We will continue to refine our risk assessments for suppliers of products and services for compliance with Modern Slavery requirements. We instructed our ethical audit provider to add a section on the forced labour of the Uighur people. We will continue to ensure our supply chain is fully mapped, with audits and corrective actions carried out as appropriate. We are also in the process of developing an IT system, which will help us monitor suppliers more effectively, and once this is live, we will review setting targets and measures in relation to Modern Slavery. We require all new own-label suppliers from medium risk countries to have a modern slavery assessment from one of our recognised standards such as SEDEX or BSCI and contact existing suppliers to obtain new audit reports every 1 to 2 years based on risk assessment score which allows us to take our supplier monitoring to the next level.

Training

To establish a wider awareness throughout the business we display modern slavery posters in key places and further information is available on our intranet system. The intranet system is used by all new starters and includes a short video of what modern slavery is and what signs to look out for.

Approval

This statement has been published in accordance to section 54 of the Modern Slavery Act 2015. It sets out the measures undertaken by Lakeland Limited (trading as Lakeland) to prevent modern slavery and human trafficking for the financial year ending 31st December 2023.

This statement has been formally approved by the board members of Lakeland Limited and signed on their behalf.



Steve Knights
Chief Executive