

INSPECS GROUP PLC

Modern Slavery Statement

Pursuant to Section 54(1) of the Modern Slavery Act 2015, an Act of the Parliament of the United Kingdom, Inspecs Holdings Limited (the “Company”) is required to prepare an anti-slavery and anti-trafficking statement for each financial year. In accordance with the Act, the below information constitutes the modern slavery and human trafficking statement in respect of Inspecs Group plc on behalf of the Company and all of its subsidiaries (together the “Group”) for the financial year ending 30th December 2019. This statement was approved by the Company’s Board of directors (the “Board”) on 10 January 2020.

Corporate Social Responsibility

The Company has always been mindful of its corporate responsibility to protect human rights and sought to ensure that our high-quality products are sourced and manufactured in a fair, ethical and environmentally and socially responsible way.

We are committed to maintaining and promoting high standards of business integrity. The Company’s values, which incorporate the principles of corporate social responsibilities and sustainability, guide our relationships with clients, employees and the communities and environment in which we operate. The business is responsible for the end-to-end processes and procedures which are established to ensure traceable quality control and transparency through the group’s operational processes, from design to distribution.

The Group’s approach to sustainability seeks to address both environmental and social impacts, whilst meeting client demands. We are committed to preventing acts of modern slavery and human trafficking from occurring within our businesses and supply chains and seek to ensure that our partners and affiliates have similarly high standards regarding the same, respect local laws and customs and meet international laws and regulations.

We will not tolerate slavery or human trafficking within our organisation, our operations or in our supply chain, and will never knowingly deal with any organisation which is connected to slavery or human trafficking.

Business and Organisation Overview

The Company’s businesses offer the complete eyewear design-manufacture-distribution solution, both under license and private label, the latter providing additional commercial benefit due to proprietary technology and patented concepts.

The Group has four manufacturing sites across the world and a workforce of 1,300 staff. The organisation has manufacturing sites in London, Italy, China-Macau* and Vietnam and a global distribution network with diversified reach across Europe, Asia Pacific, U.S.A, Africa and South America. Our award-winning creative in-house design studios are based in the UK (Bath), Portugal (Lisbon), and Hong Kong China*. Our staff in each of these regions work together with the Company’s factory design teams.

** Special Administrative Region of the People’s Republic of China*

As designers and creators of both branded, proprietary and original equipment manufactured (“OEM”) eyewear we work in partnership with global brands and some of the largest optical eyewear retail outlets in the world. As the first British eyewear company to become fully integrated, from design to manufacture, our business model means that we also work closely with a wide range of suppliers and partners, from licencing agents to distributors and third-party service providers. The Company’s businesses span numerous regions and we have a supply chain with global reach; our distribution network reaches 80 countries and approximately 30,000 points of sale.

Risk Analysis

The Board has reviewed, considered and documented all risk factors that it believes could be material to the Group. Based on due diligence and analysis of Inspecs Group’s businesses and our supply chains carried out to date, we consider that the Company is currently at a low risk of slavery and human trafficking, in both the context of our own business and our supply chains.

Governance, operational policies, procedures and recruitment practices

We understand that the establishment of effective policies and incentives shape the environment and set the tone of an organisation in assessing, preventing and mitigating the risk of modern slavery in supply chains. Clear organisational policies demonstrate commitment to this issue, work to influence and remedy modern slavery in our organisation and supply chains and ensure that appropriate and coordinated action is taken throughout the business if required.

We are committed to combating modern slavery, conducting business in an ethical and transparent manner and mitigating risk of non-compliance with the Act. We have implemented the following policies within our organisation, which are comprehensive and detail reporting and escalation procedures:

- Anti-Slavery and Human Trafficking Policy
- Whistleblowing Policy
- Safeguarding Policy
- Anti-harassment and Anti-Bullying Policy
- Anti-bribery and Anti-Corruption Policy

Our policies and also explicitly invite all staff to contribute to the development of policies and provide suggestion as to how the group may improve its governance and risk management framework, processes and controls.

Each of our business divisions have access to an externally facilitated whistleblowing hotline that enables all employees to raise any concerns that they might have without fear of reprisals. We are pleased to confirm that no incidents have been raised or reported to date.

Due diligence processes

In our efforts to monitor and reduce the risk of slavery and human trafficking occurring within our supply chains, we review our business framework in conjunction with Ernst & Young, independent auditors appointed by Board, to highlight and consider any areas which may warrant increased focus.

We seek to develop direct sourcing relationships wherever possible to aid affective oversight and increase assessment, monitoring and reporting capabilities. The Group strives to maintain the highest standards of ethical integrity and expects the same of its business partners, employees and affiliated parties. As part of our supplier and product onboarding process, we assess suppliers to ensure they can support our zero-tolerance stance to unethical practice and take steps to consider any areas of risk.

Owning our manufacturing sites ensures the Group has high levels of traceability throughout the supply chain and is able to maintain high standards of quality control. The Group's sites are subject to regular independent audits by its global retail customers and licensors. In addition to the Company's policies and internal risk management activities, these independent audits evidence that governance and industry standards are being maintained, and legal and regulatory requirements are being met.

Management and Compliance

The Group's risk appetite is determined by the Board. Over the past year, we have taken significant steps to develop and strengthen corporate governance and risk management. The Company has undertaken several group-wide risk assessments and either revised or introduced new policies, processes, procedures and raised our standards, in light of these assessments. Our enhanced risk management framework provides that we will not tolerate slavery or human trafficking within our supply chains.

Following our governance reviews and risk assessments we have also:

- Taken steps to hire additional suitably experienced legal, risk management and compliance resource. We have taken this action in order to further improve governance of risk management cross the group and ensure that we are equipped with the right level of experience and management expertise to enable us to comply with the legislation; and
- Established several Board sub-committees, one of which being the Audit & Risk Committee. This Committee is responsible for, inter alia, reviewing the Group's risk management framework and assessing the effectiveness of the Company's policies, procedures and controls.

Recruitment, employment and engagement practices

Our recruitment practices are compliant with applicable employment and health and safety legislation in the relevant countries.

In order to minimise our exposure to risks that may arise in relation to slavery and human trafficking, we always aim to recruit staff directly and do not make frequent use of temporary workers sourced through an intermediary or employment agency.

Where we have not engaged staff directly, we have been supported by dedicated third-party service suppliers and agencies who understand our business and understand the requirement to adhere to local employment, health and safety and anti-slavery legislation.

We actively manage our relationships with third-party agents and service suppliers to mitigate any potential risk of modern slavery. The Company requires those who are charged with providing services to us to conduct robust checks on any potential new employee, including eligibility to work in the UK, to safeguard against human trafficking or individuals being forced to work against their will.

Risk of non-compliance with the Act is increased in organisations where there are high levels of staff turnover and changes in the supply chain. Lack of business and operational continuity, loss of resource, knowledge and experience can affect a company's ability to maintain effective oversight and monitoring of its supply chain and comply with the Act. Inspecs Group, therefore, considers a high level of staff turnover and changes in supply chain to be key risk indicators.

To mitigate against such risks the Company has continued to foster a culture of positive engagement, evidenced by the accolade awarded annually by interior design consultancy Wylde IA who named Inspecs as "the happiest workplace" in November 2018. The Company has also strived to ensure that strong relationships are forged with external stakeholders, some of whom we have worked with on an exclusive basis for over twenty years. We have long-standing arrangements with many of the leading global retailers, including Specsavers, National Vision, Grand Vision (which includes Vision Express in the UK), Boots, TK Maxx, Costco, World Duty Free and Superdry retail outlets. Our global distributors include Bode and Vistan Brillen.

Inspecs Group is proud of the organisation's culture and corporate ethos, and the collaborative relationships our staff actively maintain with customers and suppliers externally. Our organisation's culture and the approach we take when dealing with clients, partners, advisors and other third parties has been instrumental in ensuring that we have low levels of staff turnover and few changes in the supply chain.

Training

The Company's formal training and induction processes for new staff are firmly established across the group. The standards and behaviours expected of our employees are detailed within a number of policies and codes of conduct, in addition to those listed above. All new employees receive the suite of group policies, as part of an 'employee handbook', and training as required.

Management and support staff remain cognisant of their duty and legal obligation to escalate any matters of concern in relation to human rights abuses, in line with Company policies. Our workers are encouraged to identify and report any potential breaches of the organisation's policies within the wider understanding of whistleblowing.

Conclusion

As a global supplier and brand partner with a world-wide distribution network, we understand that there is risk of modern slavery taking place in supply chains. Having considered a range of factors, including the nature of our products, the sector in which we operate, the various group policies and procedures in place, and independent audits carried out across the globe, we believe that the Company is at low risk of exposure to slavery and human trafficking.

We are not aware of any areas of our operations and supply chain likely to lead to breach of the Modern Slavery Act 2015. Recognising that the human rights risks may change over time as the business enterprise's operations and operating context evolve, however, we will continue to:

- Re-evaluate on a regular basis the nature and extent of exposure to the risk of modern slavery occurring in our supply chain;
- Review and enhance our governance and risk management frameworks, policies, processes, procedures and controls as necessary following re-evaluation and risk assessments undertaken;
- Engage external advisors to carry out independent assessments, due diligence and assurance work to assist the Company in fulfilling its objectives and comply with legal and regulatory obligations;
- Apply appropriate risk-based due diligence processes to mitigate risk of non-compliance with the Act.

Over the forthcoming year the Company also intends to:

- Review our induction and training programmes and provide additional material and guidance considered necessary to support our zero-tolerance approach to human rights abuses;
- Deliver further training to our Board, executive leadership team and key members of the global procurement and supply chain teams to build on their understanding;
- Invest in educating our teams to recognise the risks of modern slavery and human trafficking in our business and supply chains and ensure that they remain cognisant of their duty to report any matters of concern in relation to human rights abuses; and
- Work with stakeholders across the group to develop key performance indicator metrics as a tool to monitor compliance with the group's governance frameworks and policies.

This Modern Slavery Statement was approved by the Board on 10 January 2020:



.....
Chairman