



U.S. POLO ASSN.  
SINCE 1890

## SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR THE FINANCIAL YEAR 2023/24

**The Brand Machine Group is committed to achieving full transparency of its global supply chain. We find all and any instances of modern slavery or human trafficking to be abhorrent and will do our utmost to ensure that it cannot exist or be promulgated within our organisation, our partners, suppliers or factories.**

This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and sets out the steps that Brand Machine Group (BMG) and its related companies and brands has, and will be taking, to ensure that slavery and human trafficking does not occur in our global supply chain or in any part of our business. For the sake of simplicity, we will refer to this document as the 'Modern Slavery Statement' rather than its more formal legal name 'Slavery and Human Trafficking Statement'. These names can be interchangeable.

The expression 'Modern Slavery' covers slavery, servitude, human trafficking and forced labour. BMG has a **zero-tolerance approach** to any form of modern slavery. We are committed to always acting ethically, with integrity and transparency in our business dealings. We have implemented robust, effective systems and controls that will ensure we will have:

- Supply chain transparency
- A clear understanding of actual and potential risks in our entire business
- Effective means to avoid, anticipate and correct any instances of modern slavery

This statement covers the activities of BMG and U.S. POLO ASSN.

### FORMAT OF THIS STATEMENT

Referencing the Home Office's practical guide 'Transparency in Supply Chains' that was issued in 2017, our statement endeavours to contain the following information:

- |  |  |
|--|--|
| A) Our organisation's structure, its business and its supply chains.   | D) Our effectiveness in ensuring that slavery and human trafficking is not taking place in our business or supply chains, measured against such performance indicators as we consider appropriate. |
| B) Our policies in relation to slavery and human trafficking.  | E) The training and capacity building about slavery and human trafficking available to our staff.  |
| C) Our due diligence processes in relation to slavery and human trafficking in our business and supply chains. |  |

**BRAND MACHINE GROUP**

DESIGNER BRANDS

## A) COMPANY STRUCTURE

1. The Brand Machine Group houses a diverse and industry-leading portfolio of formal, fashion and sports brands across clothing, footwear, and accessories. From original fashion icons to authentic heritage labels, we're passionate about nurturing unique brand DNA from design, production to retail.
2. We are a global brand owner and licensing specialist, partnering with recognised market leaders. Managing a seamless and collaborative process of designing, developing and delivering quality product. All whilst championing the unique strengths and DNA of our brands.
3. Brand Machine Group is the destination for branded fashion, supplying strategic partnerships for high quality manufacturing and global distribution. As an international brand specialist with almost 35 years' experience in the fashion industry, we are experts in product development and Master of Production with an agile business approach.
4. We deliver our brands internationally, continuously focusing on our common vision to be the best in class. Committed to shaping our brands for global multi-channel markets, infusing product with passion and authenticity.
5. BMG is a London based business, with international sales offices and sourcing, quality and compliance offices located in Bangladesh, Pakistan, India & China. Our annual turnover exceeds the threshold Section 54, Part 6 of the Modern Slavery Act 2015 so we are required by law to issue a Modern Slavery Statement on an annual basis in the form of this document.

## GOVERNANCE AND RESPONSIBILITIES

1. The Head of Social Compliance and his Social Compliance Team have full responsibility for ensuring that all policies and procedures are implemented. They are also responsible for all wider issues relating to ESG (Environmental, Social and Governance).
2. The Head of Social Compliance has a direct reporting line into the CEO and the Board of Directors and will report on a quarterly basis to them with updates on each factory's ethical audit status and corrective action plans.
3. The Head of Social Compliance will map out the strategy and ensure its successful implementation as well as being responsible for dealing with ongoing challenges or issues that may arise during regular commercial activity.



**U.S. POLO ASSN.**  
SINCE 1890

## SUPPLY CHAIN OVERVIEW

1. BMG does all its product design in the UK offices while production (Cut, Make and Trim) is done at our selected group of Asian suppliers.
2. For the avoidance of confusion, BMG clearly defines our supply chain by tiers. The below table explains this:

|               |   |
|---------------|---|
| <b>TIER 1</b> | Supplier who may manufacture or be an agent managing several manufacturing sites            |
| <b>TIER 2</b> | Manufacturing site where the goods are cut, made and sown, also referred to as a 'factory'. |
| <b>TIER 3</b> | Accessories or fabric suppliers   |

3. BMG currently uses 43 factories which represent Tier 1 and 2. The country breakdown for the present reporting year is as listed. As yet, we have not fully listed all Tier 3 suppliers in our supply chain which is part of our 2022/ 23 set of targets.

|                   |           |
|-------------------|-----------|
| <b>BANGLADESH</b> | 20        |
| <b>CHINA</b>      | 11        |
| <b>PAKISTAN</b>   | 4         |
| <b>INDIA</b>      | 3         |
| <b>CAMBODIA</b>   | 1         |
| <b>PAKISTAN</b>   | 1         |
| <b>VIETNAM</b>    | 1         |
| <b>TURKEY</b>     | 1         |
| <b>INDONESIA</b>  | 1         |
| <b>TOTAL</b>      | <b>43</b> |



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SINCE 1890

## B) OUR POLICIES

1. BMG has aligned our Code of Conduct with the long established and well-recognised principles of the Ethical Trading Initiative Base Code which can be found at <https://www.ethicaltrade.org/eti-base-code>
2. All of our suppliers are required to sign our Code of Conduct document prior to accepting any Purchase Order or commencing production on any of our brands.
3. A representative from BMG will have visited the factory site for a preliminary assessment of conditions. This will either be a qualified colleague from the Dhaka sourcing office or equivalent from one of the UK offices.
4. No purchase order may be issued or any production started for our brands until BMG's Social Compliance Team has received the following:
  - An ethical audit report (either SMETA or Amfori-BSCI) from a reputable social compliance audit firm (a member in good standing of the Association of Professional Social Compliance Auditors, ([www.theapsca.org](http://www.theapsca.org)), performed by an accredited CSCA level auditor.
  - The audit report may **not be older than 24 months** (calculated from the first day of planned production) and may **not contain any Zero Tolerance issues**. Zero Tolerance issues are deemed to be egregious non-compliances such as slave or child labour, health and safety issues that pose an immediate threat or extreme violations of working hours and conditions. (A precise list of Zero Tolerance issues can be provided on request but is aligned with the SMETA guidance documents).
  - The following key criteria must be met by any supplier/ factory:
    - A The facility allows auditors full access to its facility premises, workers, and records.
    - B The facility has a business license for legal operations.
    - C The facility does not attempt to bribe auditors including offering any form of monetary compensation, gifts or favours.
    - D Workers are not punished through monetary, physical, or other means, for participating in worker interviews.
    - E There is no employee employed by the facility currently below the age of fifteen (15) or in breach of local minimum age for work or mandatory schooling.
    - F The facility does not use any type of involuntary labour who are trafficked, imprisoned (not in compliance with ILO Convention 29), bonded, or indentured, either at the facility itself, or a broker.
    - G All workers should maintain possession or control over original government issued identification and personal documentation, such as passports, identity papers, travel documents, and other personal legal documents.
    - H The facility does not tolerate sexual harassment, and has committed to a workplace free of sexual harassment.



**U.S. POLO ASSN.**  
SINCE 1890

- I The facility does not use any form of - or threat of - physical violence, including slaps, pushes or other forms of physical contact as a means to maintain labour discipline.
- J The facility does not have severe environmental pollution, which is to be understood as pollution that is likely to spread widely from the site and where the effects will be very difficult or expensive to correct, including but not limited to.
- K The facility does not use unauthorized subcontracting.

5. Critical, Major and Minor non-compliances in the audit reports can be accepted, provided a clear plan for remedial action is supplied by the factory and a schedule of follow up audits or desktop reviews is agreed. For further information on the grading of issues please refer to the SMETA 'Best Practice Guidance' and 'Non-Compliance Guidance' documents.

## C) DUE DILIGENCE

1. It is incumbent on us to not merely wish or hope that our supply chain is free of the taint of modern slavery but to actively check and understand all of its components.
2. A functional definition of due diligence requires that sufficient action is taken and that it is considered reasonable by general consent. Within our industry there is an element of benchmarking required to find the appropriate level of due diligence that is practical, robust and commercially viable. Knowing what other similar businesses are doing, not doing or planning to do has permitted us to find a suitable balance that would not merely hold up in a court of law but also under public scrutiny. To obtain this knowledge we have engaged external experts who work across a wide range of similar manufacturing industries.
3. Another important guideline for what constitutes the right amount of due diligence is to ask oneself not what is legally required but what is the right thing to do. This is the benchmark we have set ourselves in developing and implementing our due diligence policies.
4. The first step in our due diligence is to identify each supplier (Tier 1, 2 and 3 and beyond). Understanding Tier 1 and 2 has been done and is not as onerous as the full identification of 'Tier 3 and beyond'. That is still work in progress and should be completed in the next reporting period.
5. The next steps in the due diligence process are as follows:
  - Contact all of the suppliers
  - Share with all suppliers our Code of Conduct and requirements
  - Ensure all suppliers have understood and signed confirmation of our Code of Conduct
  - Audit all suppliers to check compliance with the Code of Conduct
  - Train any suppliers, should there be gaps in understanding
  - Disengage any suppliers who are unwilling or incapable of meeting our Code of Conduct



**U.S. POLO ASSN.**  
SINCE 1890

## D) RISK ASSESSMENT

1. As mentioned above, in developing our policies and processes BMG has carefully considered industry best practice and benchmarked with our peers manufacturing similar products under proximate conditions.
2. Manufacturing fashionable and stylish garments in Asian factories can provide supply chain transparency challenges and unless every factory and every shipment is clearly identified and managed there can be a risk of un-authorized sub-contracting, which in turn may permit instances of forced labour to creep in.
3. Ethical auditing has been widespread in all Asian countries for over two decades and all of our suppliers understand clearly what the requirements are of responsible sourcing. Nevertheless we can't rely on them knowing what is expected, we need to be proactive in confirming that expectations are being met. We like to trust, but we will still verify.
4. It is our firm belief that as long as we manage our factories and all the components of our supply chain with great care, the risk of modern slavery is very low. However we must consistently audit factories, review audit reports and ensure that all non-compliances are addressed within sensible time frames, in order to keep control of the supply chain.
5. Besides our Asian manufacturing locations we have also identified that there is a need to understand and extend checks to those suppliers that provide us with services or goods that are not for resale. We will be focusing on these suppliers as part of Phase Two in our due diligence (see below regarding future aims and developments). These non-manufacturing suppliers may include the following:
  - A Courier and delivery companies
  - B Taxi or limousine companies
  - C Catering providers
  - D Cleaning service providers
  - E Accounting and legal firms
  - F Printing companies



**U.S. POLO ASSN.**  
SINCE 1890

## **E) EFFECTIVENESS OF OUR PROCESSES**

1. We can report that, having identified all of our Tier 1 and 2 suppliers/ factories over the last 24 months, all of them have provided us with an appropriate social compliance audit report from an approved audit firm following either the SMETA or Amfori (BSCI) methodology.
2. We can confirm that in none of our manufacturing sites instances of egregious (Zero Tolerance issues) were found. There were some issues that were classified as Critical and others that are Major and Minor. Corrective Action Plans and 'capacity building' (training or coaching in some appropriate form) have been implemented and follow up action is taking place to ensure non-compliances are in the process of being closed off.
3. More detailed facts and figures on the Corrective Action Plans and the up-to-date state of all suppliers will be available in next year's Modern Slavery Statement posted on this website.
4. We conclude by stating, with a high degree of conviction, that we do not believe that instances of modern slavery exist in our Tier 1 and 2 suppliers. We cannot categorically confirm this to be the case since we do not have employees from BMG or appointed auditors in the factories on a daily basis but we strongly believe that our processes represent fair and reasonable due diligence.

## **F) TRAINING AND AWARENESS BUILDING**

1. Our due diligence and compliance processes do not exist within a vacuum, nor does the social compliance team go about its work within a silo. Social compliance has to be embedded in every step of the sales, purchasing, manufacturing and logistical process.
2. In order to ensure we have a holistic approach that is part of BMG's corporate culture, regular training is being conducted at all levels of the business. This has started with senior managers and is currently being rolled out to all employees in the company.
3. Online training for all suppliers in BMG's expectations and Code of Conduct has also been planned and will have been delivered in time for next year's Modern Slavery Statement.
4. Externally, BMG's Social Compliance Team will continue to interact with appropriate organisations, industry thought leaders and attend the most relevant conferences in person or online. This is to ensure that we have continuous benchmarking and a strong understanding of what current industry expectations are.



**U.S. POLO ASSN.**  
SINCE 1890

## FUTURE AIMS AND DEVELOPMENTS

1. As noted in section 2.8 of the government guidance document 'Transparency in Supply Chains', organisations should build on their statements year on year and for the statements to evolve and improve over time. Given this, we are very clear at BMG that this document is not a static policy or expression of desires but a report on:
  - What we have done so far,
  - What we have found and
  - What we intend to do going forward.
2. The next Slavery and Human Trafficking Statement published by BMG will cover the period of our financial year 2023/ 2024 and will be published sometime in August 2024. We do not rule out updating the current statement or adding more data earlier should we find some benefit in doing so.
3. The following measurable targets have been set internally by our Social Compliance Team for completion in the course of the current reporting year. Data and results will then be published in the next Modern Slavery Statement:
  - We intend to map all of our 'Tier 3 and beyond' suppliers (such as fabric and accessories suppliers).
  - We expect all of our suppliers to have audit reports in place that are no older than 12 months.
  - We intend to do some selective unannounced audits using a third party provider to verify the current audit data.
  - We will have completed in-house Modern Slavery Awareness Training with all BMG employees.
  - We will have completed online Modern Slavery and Code of Conduct Training with most of our Tier 1 and 2 suppliers.
  - We will provide more detailed data around common non-compliances found during the audit process and the remedial actions being performed to address these.
  - We will identify a complete list of 'Services or Goods Not for Resale' Suppliers and commence the due diligence process on these.

This document has been prepared under my direction by the Head of Social Compliance, approved and signed off by our Board Members and myself and is pursuant to Section 54, Part 6 of the Modern Slavery Act 2015.

It covers the activity of our company during the financial year running from April 2023 – March 2024.

### **Boo Jalil**

Chief Executive Officer

The Brand Machine Group

Publication Date: 20th September 2023

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