

# Modern Slavery



AND TRANSPARENCY IN THE SUPPLY CHAIN STATEMENT

2021/22

# INTRODUCTION

The Ethical Trade Initiative refers to modern slavery as an umbrella term that includes: forced and compulsory labour, bonded labour, human trafficking and slavery. The term “modern” is used to distinguish the complexity of today’s slavery from historical slavery associated with the legal possession of one person by another.

Integrity is at the heart of what we do and how we show up at Dr. Martens. We expect high standards of each other and our supply partners. As a result, we will never accept modern slavery in any form and we take our responsibility seriously.

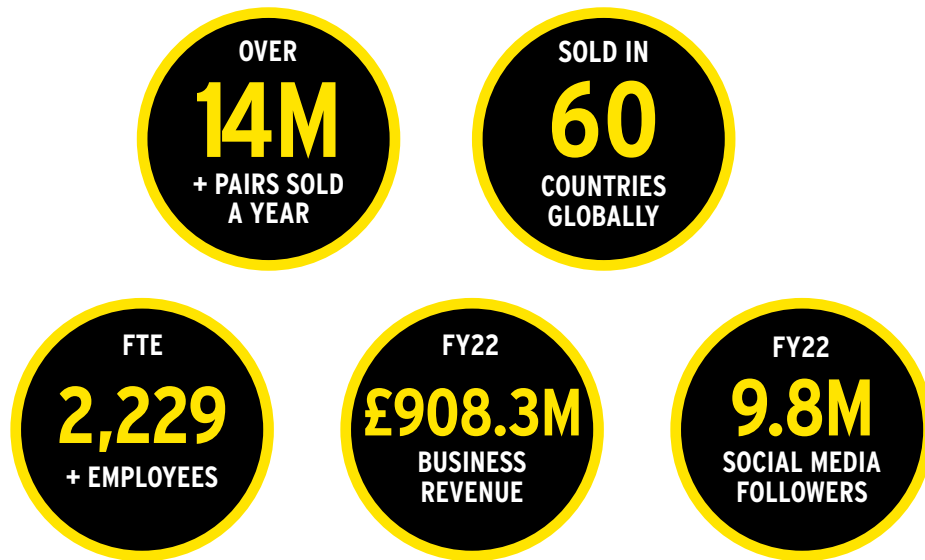
We are committed to improving our approach year on year. In this, our fifth Modern Slavery Statement, we outline the steps we are taking to prevent, detect and respond to slavery through supply chain traceability, education and collaboration.

This statement covers Dr. Martens plc and other group companies which are in scope (and together are referred to as “Dr. Martens”) and is made pursuant to section 54 of the Modern Slavery Act 2015 and California Transparency in Supply Chains Act of 2010 (SB 657). This statement covers activities between 1st February 2021 and 31st March 2022.



# STRUCTURE, BUSINESS, AND SUPPLY CHAINS

## WHO WE ARE:



Dr. Martens is an iconic global footwear brand. Our product range includes a footwear portfolio comprised of the Originals, Fusion, Kids and Casual categories, as well as a complementary range of Accessories. Our Originals category accounted for 51% of total revenue during FY22. We create durable, high quality and timeless footwear, and these principles are rooted in a sustainable, long-term custodian approach. Our products are worn by a diverse consumer base who use Dr. Martens boots and shoes as a symbol of their individual self-expression.

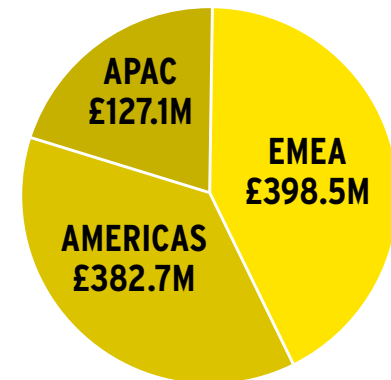
## WHERE WE OPERATE:

Our global head office is located in London.  
We operate a regional model from three regions:

**EMEA**  
headquartered in London

**AMERICAS**  
headquartered in Portland

**APAC**  
headquartered in Hong Kong



*\*Group's revenue per region  
(Twelve months ended 31 March 2022)*

Our products are sold through a number of channels including our owned retail stores, franchise stores, concessions, distributors, wholesale customers, and via e-commerce. We have 158 owned stores globally (41 in the Americas region, 80 in EMEA, and 37 in APAC). Our website ships internationally and ecommerce accounted for 29% of Group revenue in FY22.

## OUR PEOPLE:

We directly employ 2,229 people (FTE) who are based in our stores, offices, factories and distribution facilities all around the world.

Our priority is to provide fair and safe working conditions for all of our employees, and to foster an environment where everyone feels supported, included and empowered to express themselves. Our employees are treated in a fair, lawful and professional manner. Robust recruitment processes are carried out in line with employment laws including right to work document checks. Pay is reviewed annually and all employees are included within the bonus scheme.



## SUPPLY CHAIN

We define our global supply chain tiers in the following way:

- + Tier 1 supplier: Manufacturing and assembly of finished products.
- + Key Tier 2: A supplier that produces a strategic component.
- + Tier 2: A supplier that produces other components.

The majority of our footwear and accessories are manufactured by our Tier 1 suppliers across Asia and Europe, with a small amount of footwear being made at our owned manufacturing site in the UK. Our Tier 1 factory list is shared on our website and is updated every six months.

The first pair of Dr. Martens were manufactured on April 1st 1960 at our Cobbs Lane factory, located in Wollaston, England, and were so called the '1460'. We have manufactured footwear from this location ever since and it remains home to our Made In England (MIE) manufacturing facilities. More than 90 people work at our MIE site and it is where our "Made In England" range is produced.

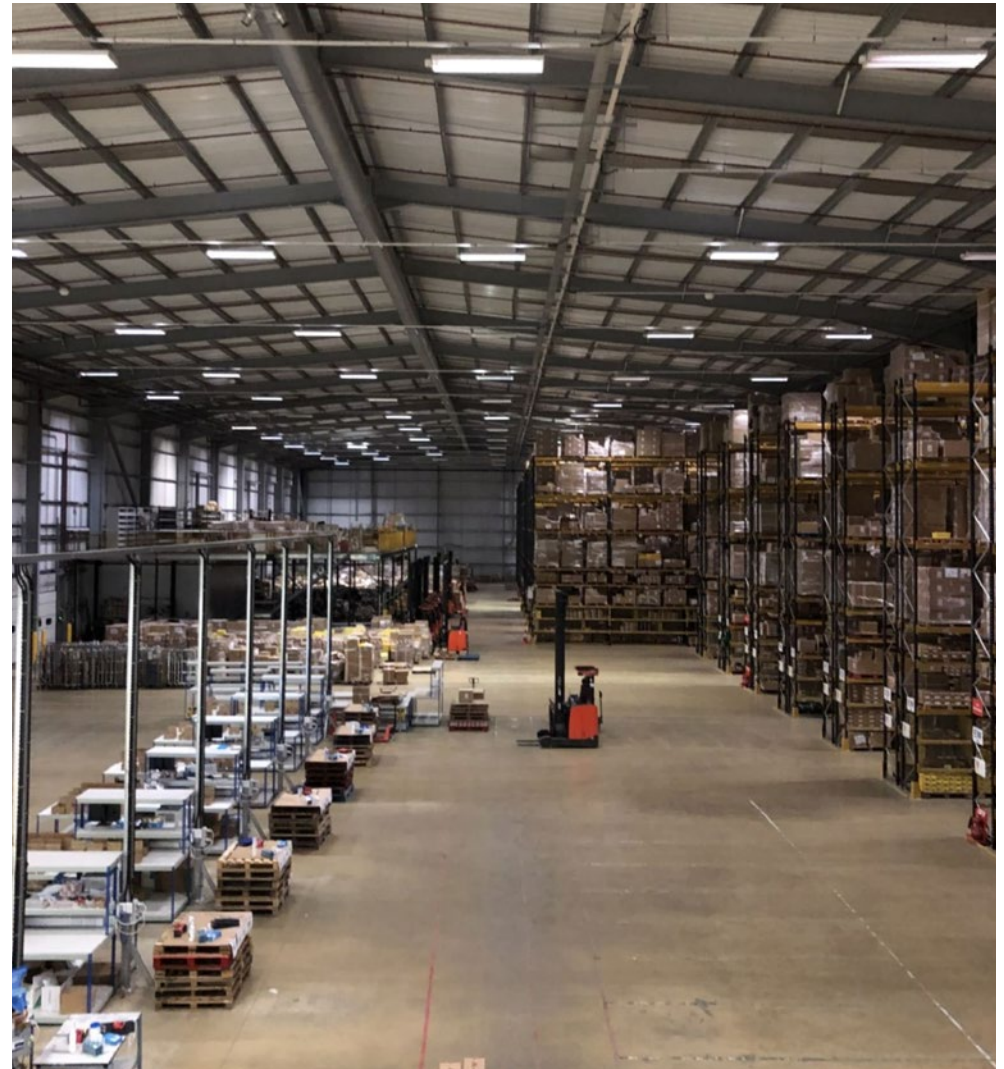


## DISTRIBUTION:

Throughout FY22 we operated with 2 Group-operated distribution facilities and 9 third-party distribution facilities to warehouse and ship our products to distributors, wholesale customers, own retail stores, franchise stores, concessions, and e-commerce consumers throughout the world.

Distribution centre activities include receiving finished goods from our third-party manufacturers and “Made in England” factory, inspecting and processing those products (including returns), and shipping them to our customers and to our own stores. Temporary employees in our distribution facilities are hired by labour providers.

In the distribution centres we directly operate, we work with trusted labour agents for the recruitment of temporary employees for peak trading periods. We aim to only offer full time positions to temporary staff, unless the role requires particular experience, or is a managerial position.



## SUPPLIERS:

**WE SOURCE THE MAJORITY OF OUR PRODUCTS THROUGH TRUSTED THIRD-PARTY MANUFACTURERS. WE BELIEVE IT IS IMPORTANT TO DEVELOP AND FOSTER LONG-TERM PARTNERSHIPS AND HAVE WORKED WITH MANY OF OUR SUPPLY CHAIN PARTNERS FOR DECADES.**

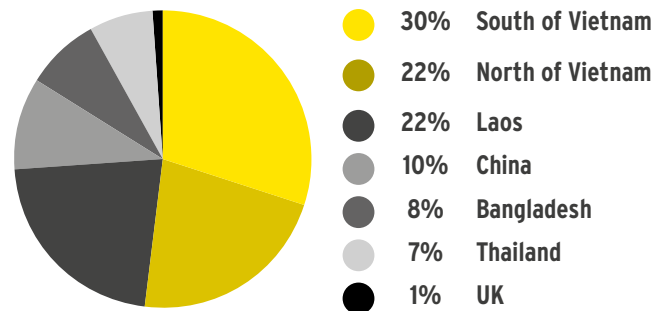
When partnering with Tier 1 suppliers, we value strong long-term relationships in order to obtain quality, service, value for money and maintenance of expected labour and environmental standards. We also nominate a number of our Tier 2 suppliers including tanneries and outsole suppliers.

### TIER 1:

The majority of our products are sourced through trusted supply chain partners, many of which we have worked with for decades. Our footwear is manufactured in six different countries at 19 sites across the United Kingdom, Vietnam, China, Thailand, Laos and Bangladesh. Across the Tier 1 factories, there are approximately 30,000 workers.



### AW22 FOOTWEAR MANUFACTURING LOCATIONS



We organise regular supplier conferences which are attended by our key suppliers and hosted by our Chief Operating Officer. These meetings promote an environment of trust and transparency, whilst allowing us to build a deeper understanding of the issues faced by our suppliers. We address CSR topics including the expectation of high social and labour standards at these conferences. The frequency of our supplier conferences was increased to every six weeks during the pandemic to address the ever-changing environment.

Our Tier 1 suppliers are audited by an independent third-party specialist auditing company. For more information about this see the 'due diligence' section.

### TIER 2 AND OTHER SERVICE SUPPLIERS:

In addition to Tier 1 suppliers, we work directly with our key suppliers for leather and outsole granulate material and provide a list of nominated Tier 2 suppliers for other components, which we require the Tier 1 suppliers to use. Our top materials sourced by volume are leather, outsole granulate and packaging materials.

We shortlist preferred Tier 2 suppliers through an audit process; the criteria for which includes conformity with our Supplier Code of Conduct which is based on best practice standards set out in the Ethical Trade Initiative Base Code and conventions of the International Labour Organisation as well as adherence to compliance (including in connection with modern slavery laws and regulations) and product quality standards. We monitor this nominated Tier 2 supplier list on an ongoing seasonal basis.

# STRATEGY AND GOVERNANCE:

## HUMAN RIGHTS IS A KEY FOCUS AREA OF OUR SUSTAINABILITY PROGRAMME:

In 2022 we launched our new Planet, Product, People sustainability strategy. This strategy captures our eight key areas which were based on the material issues identified through an in-depth materiality assessment.

Human Rights was identified in the materiality assessment as a key focus area for the business and is included within the 'People' sphere of the sustainability strategy.

We are also working to include sustainability across all parts of the business. Sustainability has been integrated into the DOCS corporate strategy. Sustainability projects are included in each of the DOCS pillars to ensure that sustainability becomes an operational requirement for all functions delivering our long term sustainability commitments which are part of our strategy.



## GOVERNANCE:

The Board and the Executives are collectively responsible for ensuring we meet our human rights and supply chain responsibilities and operationally, the Chief Operating Officer and Chief HR Officer take responsibility for this on a day-to-day basis. Ethical trade and human rights in the supply chain due diligence falls within the remit of the dedicated Corporate Social Responsibility (CSR) Team.

The Sustainability Team are responsible for embedding and championing the sustainability strategy projects throughout the business. The overarching sustainability strategy is overseen by the Sustainability Steering Committee, which is chaired by the CEO and reports directly

to the Board. The Legal, HR, Supply Chain and Facilities Teams are also responsible for the implementation of policies and procedures that support Dr. Martens to meet its human rights responsibilities.

Our full sustainability governance structure can be found on page 87 of our [FY22 Annual Report](#).

# POLICIES AND CONTRACTUAL AGREEMENTS:

## SUPPLIER POLICIES:

We have a number of policies and procedures to ensure our suppliers comply with our business terms, as well as employment, environmental and other relevant laws and regulations. We have contractual provisions to require that our agents, distributors and franchisees also comply with the same terms.

### MASTER SUPPLIER AGREEMENT

Master Supplier Agreements (MSA) have been introduced for our Tier 1 suppliers and key Tier 2 suppliers. The MSAs, which are signed by our Tier 1 and key Tier 2 suppliers and third-party distribution facilities, includes our policies, such as our Supplier Code of Conduct and Migrant Worker Policy, which cover our standards and binding clauses on issues such as human rights and modern slavery. In 2020 a modern slavery clause was included in our new standard contract agreements. Where contracting on supplier's terms, we negotiate compliance with modern slavery commitments into the contract.

### SUPPLIER CODE OF CONDUCT

Our Supplier Code of Conduct sets out our expectations for our suppliers and it is based on the Ethical Trade Initiative Base Code and conventions of the International Labour Organisation (ILO). Our Supplier Code of Conduct contains clauses on subcontracting and homeworking, as well as detail on what constitutes modern slavery or forced labour. The Code of Conduct is reviewed annually and is contractually binding. It is issued to our Tier 1 and key Tier 2 suppliers for their annual re-commitment to the spirit and the letter of the Code of Conduct. It is also referenced in each supplier conference by the Chief Operating Officer. It is also available for all Dr. Martens employees to review on the internal policy hub, as well as on our [website](#) here.

### MIGRANT WORKER POLICY

Our Migrant Worker Policy sets out our expectations on the treatment of migrant workers for our supply chain. It is based on the Dhaka Principles, which were developed by the Institute of Human Rights in Business (IHBR) and are based on international best practices, which address the issues migrant workers may face. Migrant workers in supply chains are more vulnerable to modern slavery because they are less likely to understand their rights or raise grievances with their employers or the authorities. The Migrant Worker Policy is reviewed annually and is issued to our Tier 1 and key Tier 2 suppliers for their annual recommitment. It is also available for all staff on the new compliance and training hub.



## INTERNAL POLICIES:

### ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY

**We have an Anti-Slavery and Human Trafficking Policy to ensure that our own employees are aware of their obligations under the Modern Slavery Act.**

#### DOctrine

In addition to our Supplier Code of Conduct, we also have a global business code of conduct called our DOctrine which raises awareness and expectations amongst our own employees regarding human rights and modern slavery. It is made available via a number of channels, including in the induction pack for all new employees, on the internal policy hub and on our plc website.

#### SPEAK UP

We also have a confidential hotline as an additional means for Dr. Martens employees to raise concerns and grievances relating to human rights, modern slavery, or any other area covered in the DOctrine.

#### COMPLIANCE PLATFORM:

The platform, named 'How We Do Business' allows consistent and relevant policies and training to be distributed globally across all regions in relevant languages. It also provides live views and up to date reporting and monitoring of the business' progress rate, therefore allowing targeted training and communication where needed throughout Dr. Martens.

### HOW OUR POLICIES ARE DEVELOPED:

Our policy needs in relation to human rights and modern slavery are regularly reviewed by relevant teams including our Legal, Compliance, Global Supply Chain and Sustainability Teams. Policies are developed by using international standards and benchmarking against best practices across the industry. They are reviewed by the Board or Executive directors before being rolled out.

## RISK MANAGEMENT PROCESS:

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Our approach to risk, including Environmental, Social and Governance (ESG) risks, is an integrated part of the overall governance and management of the Group. Management at various levels are involved in the governance and risk management process, including the Board, Audit and Risk Committee, the Operational Risk Committee and the Regional Risk Committees. Throughout the year, we have continued to mature and embed our overall risk management process, including a focus on risk appetite. Risk governance, oversight and more details on our principal risks can be found from page 97 of the [FY22 Annual Report](#).

### RISK ASSESSMENT APPROACH:

Before placing production in a new sourcing country, we conduct a thorough feasibility study review. One element which feeds into this is a country risk classification. Six governance indicators are used to assess the level of risk as identified by the World Bank. One of these include 'Voice and Accountability (VA) - capturing perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association and a free media.'

### SUPPLY CHAIN MAPPING TOOL:

We are currently investigating a supply chain mapping tool which will allow data sets such as human rights and modern slavery risk to be overlayed onto our supply chain.

# SUPPLY CHAIN MONITORING AND DUE DILIGENCE PROCESSES:

## SUPPLIER MONITORING PROGRAMME:

**WE HAVE IN PLACE AN ONGOING MONITORING PROGRAMME FOR FACTORIES IN OUR SUPPLY CHAIN, WHICH IS ONE MECHANISM WE USE TO IDENTIFY AND ADDRESS RISKS AND INCLUDES MODERN SLAVERY RELATED RISKS.**

All our suppliers across Tier 1 and key suppliers from our Tier 2 are monitored by an independent third-party auditing company for compliance with labour and environmental laws, regulations, industry standards and our own policies, such as our Supplier Code of Conduct, which is based on the ETI base code. The frequency of audits is determined by the audit rating, which depends on the severity of any issues identified. We take a collaborative approach with the suppliers and, when issues are found, a corrective action plan is agreed to remedy non-conformances in a timely manner. We then carry out further follow-up checks to verify the corrective actions have been taken. Should a supplier fail to remediate issues identified by an audit, the supplier partnership is reviewed and may be ended.

The programme is run by our Global Supply Chain Compliance Team comprised of experienced CSR professionals based across Europe and Asia and is the foundation of our relationship with our suppliers in order to maintain fair and safe working conditions.

During FY22, 100% of Tier 1 footwear suppliers CSR audited were found to meet our high standards and no cases of child labour or forced labour were reported by the independent third-party audits in our supply chain.

We are also committed to setting similar high standards for our Key Tier 2 suppliers. Under our CSR monitoring programme, we are now working to extend the Workplace Conditions Assessment (WCA) across our most significant Key Tier 2 suppliers with a focus on the top suppliers by volume. For more information on our CSR monitoring programme can be found in our FY22 Annual Report.

## THIRD PARTY DUE DILIGENCE:

When we engage third parties, we must complete sufficient due diligence before entering any arrangement. We have a third-party due diligence procedure in place which is conducted before we contract with any vendor selling products, technology or services to Dr. Martens. The process involves appropriate due diligence checks on the supplier including a Vendor Risk Assessment, contract review, Compliance screening and a Data Protection Impact Assessment. The level of due diligence depends on factors such as the supplier's location, activities to be performed and the size of contract and is reviewed on an annual basis per supplier. This process involves teams across the business including Global Security, Compliance, Data Protection and Legal, and will flag any risks associated with a supplier, including ethical concerns such as modern slavery risk. We follow a thorough risk assessment process which is aligned to international standards. If critical risks are identified, such as previous unlawful practices, we may not proceed with the contract.

# TRAINING AND AWARENESS BUILDING:

## FORCED LABOUR E-LEARNING:

Education is one of the key elements in our approach to tackling modern slavery. Over the past year, we have been developing a bespoke forced labour and ethical trade e-learning module which will be available to all Dr. Martens employees. This short course will be mandatory for relevant departments, providing an introduction to the issue of modern slavery, the different forms of modern slavery and forced labour, how to spot the signs, and what to do if there is a suspected case. It is due to be rolled out in FY23.

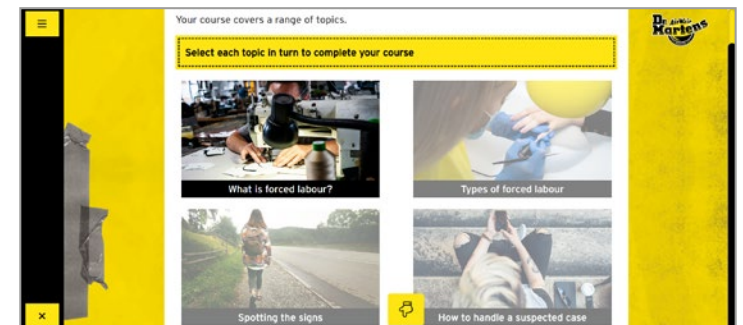
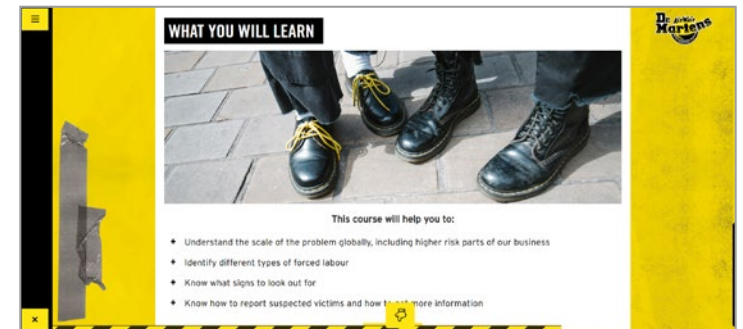
In our previous statement we outlined how we hosted a human rights awareness video on our internal training hub. This was intended as an introduction to the tailored modern slavery e-learning module due to be rolled out in FY23 (see above). To date, 602 employees have completed the training video.

## MODERN SLAVERY TRAINING FOR THE DISTRIBUTION MANAGEMENT TEAM:

Conducting regular awareness training for our employees is one of the key areas of focus across our modern slavery programme. We continued with this commitment and delivered bespoke modern slavery training for our UK distribution management team in October 2021. Distribution is a priority function to receive modern slavery training, due to the growth in ecommerce and use of temporary workers. The training was delivered across two sessions to all Team Managers and Senior Operatives and introduced the issue of modern slavery, how to spot the signs, and what to do if there is a suspected case. The training pack was updated to include additional advice on reporting suspected victims through a new mobile app which is tackling modern slavery through the use of big data.

## EMPLOYEE ONBOARDING:

Human rights and modern slavery awareness is included in the onboarding process for new employees. The one-day onboarding workshop includes a segment on modern slavery and an overview of our due diligence process across the supply chain. New employees are pointed to the modern slavery statement on our website for more information and the training available on the hub.



We have developed a bespoke Forced Labour and Ethical Trade e-learning module for our employees which is due to be rolled out in FY23. its behalf by [x].

# COLLABORATION:

## MATERIALITY ANALYSIS WITH PWC:

In March 2021, the materiality assessment outlined in our previous statement concluded. This process identified the environmental and social issues which are most significant to Dr. Martens. You can find out more about this on pages 60-61 of our [FY22 Annual Report](#).

The issues identified formed the basis for the development of our new sustainability strategy; Planet, Product, People. 'Human rights, modern slavery and labour rights' was identified as one of the key issues for the business and as such, is one of the focus areas within the 'People' pillar of our strategy.

## ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS:

Alignment with the global sustainability agenda is key to driving progress. In early 2022, an external consultant carried out an assessment to better understand which UN Sustainable Development Goals (SDGs) and related Targets matter most to Dr. Martens and our stakeholders. The structured, score-based assessment identified that UN Target 8.7 calling for the eradication of forced labour and modern slavery is one of our most relevant targets. This is why developing and progressing with our approach of knowing our supply chain, education and collaboration is key. More on the assessment methodology and relevant Goals and Targets can be found on page 64 of the [FY22 Annual Report](#).

## WORKING IN PARTNERSHIP WITH CUSTOMERS:

House of Lords pledge: Since March 2019 we have been a signatory of the House of Lords and ASOS Modern Slavery pledge. We continued to engage and attend workshops and events throughout the year, sharing valuable updates and learnings.

## 8 DECENT WORK AND ECONOMIC GROWTH



# PROGRESS:

This is a summary of the actions we have taken since the last statement and what we want to focus on next. For more information on each of these points, please see the detailed sections on page 14:

Key area	Progress since last statement	Next steps
+ MAPPING THE RISKS IN OUR SUPPLY CHAIN AND OPERATIONS	Started tender process for a supply chain mapping tool to enable traceability and greater transparency across our supply chain.	Identify and implement a mapping tool to monitor risks and opportunities.
+ EDUCATION AND TRAINING	Developed bespoke modern slavery awareness training module. Delivered tailored in-depth training to distribution management.	Roll out training module to employees globally and track completion rates.
+ EXPAND AND IMPLEMENT BEST PRACTICE DUE DILIGENCE	100% of Tier 1 suppliers audited achieved the highest rating in the Workplace Conditions Assessment (WCA) audits. Continued to expand the WCA assessment across key Tier 2 suppliers. Third party due diligence process developed to monitor risks across new vendors.	Continue to expand audit programme across key Tier 2 suppliers. Review how human rights can be further integrated into the Third Party Due diligence process.
+ COLLABORATION AND PARTNERSHIPS	Concluded a formalised gap and materiality analysis with PwC. Continued to engage with the House of Lords pledge and engaged in the working group.	Tender for a partner to conduct a Human Rights Impact Assessment.

Additional information about our Planet, Product, People sustainability strategy can be found on our website: [www.drmartensplc.com/sustainability](http://www.drmartensplc.com/sustainability)

This statement was approved by the Board on 21st September 2022 and signed on its behalf by Kenny Wilson, CEO (21st September 2022).