



## **Modern Slavery Act Report 2023**

The sixth Modern Slavery Statement made by URBN UK Ltd in accordance with section 54 of the Modern Slavery Act 2015



**LEAD WITH CREATIVITY...  
TO MAKE AN IMPACT**

## Contents

Page 1	About Us
Page 2	URBN Supply Chain Glossary and Policies
Page 3	Due Diligence
Page 4/5	Risk Management
Page 6	FY24 Action

## About URBN

Urban Outfitters, Inc. (URBN) is a portfolio of global brands including Urban Outfitters, Anthropologie and Free People, that trade across the US, the UK, and Europe. Our passion and creativity drives us to think up unique in-store experiences, products and community spaces whilst keeping the customer at the heart of everything we do.

URBN UK Ltd. (URBN UK) operates 100 stores across the UK and mainland Europe in Austria, Belgium, Denmark, France, Germany, Ireland, Netherlands, Poland, Spain. It also runs websites where customers can shop in a click.

URBN UK operates one fulfilment centre in Peterborough, UK, with a team of 300+ employees.

The URBN UK head office is in Brick Lane, London and houses more than 500 employees. Urban Outfitters and Anthropologie both operate buying and development offices from here, whilst the Free People buying, and development office is in the US.

URBN UK Ltd sources from 110 direct suppliers and 250 Tier 1 and 2 factories. There are 32,600 workers in Tier 1 and 6,500 in Tier 2 with a 53% male and 47% female split.

Our factory partners are in Bulgaria, Canada, China, France, India, Indonesia, Italy, Mauritius, Morocco, Portugal, Romania, Spain, Sri Lanka, Taiwan, Thailand, Tunisia, Turkey, United Kingdom, and Vietnam. Plus, three new countries have been added in the last year: Cambodia, Egypt, and Pakistan, where partners have worked to diversify their own supply chains post-Covid.

These partners are key to creating amazing URBN UK products across apparel, accessories, footwear, soft furnishings, electronics, novelty goods and furniture.

Factory partners have been focused on Covid-19 recovery whilst also navigating increased inflation and the rising cost of commodities. Our brands have supported them through these challenging times in a variety of ways including facilitating cash flow with reduced payment terms or providing detailed forecasting to enable capacity planning.

Modern slavery remains a global issue and is not isolated to one sourcing region or product type. URBN are committed to evolving due diligence procedures and transparency of supply chain tiers to identify and address modern slavery.

## Supply Chain Glossary

Term	Definition
Direct Supplier	A company who supplies product for resale
Indirect Supplier	A company who supplies goods or services that are not for resale
Tier 1 Facility	A facility that assembles and manufactures final product
Tier 2 Facility	A facility carrying out subcontracted tier 1 processes and/or finishing of goods, like dyeing or embroidery
Tier 3 Facility	A facility that processes raw material into yarn or manufactures materials
Tier 4 Facility	A facility that cultivates and extracts raw materials from the earth, plants or animals

## Policies

The URBN Vendor Code of Conduct & Responsible Sourcing Policy is part of vendor onboarding and forms the vendor terms of business. In addition to the Vendor Code of Conduct and Responsible Sourcing Policy, vendors agree to adhere to the Forced or Compulsory Labor and Human Rights Policy. URBN does not tolerate forced or involuntary labor of any kind at any point throughout its supply chain.

URBN UK does not knowingly source its own products or materials from Xinjiang Uyghur Autonomous Region (XUAR) nor do we permit our vendors to source from XUAR. The URBN Forced Labor Statement can be found in full [here](#)

URBN believes that all people are born with the inalienable human rights. We strive to avoid causing or contributing to infringements of human rights and seek to prevent or mitigate infringements of human rights that may be linked to our operations, products and services.

The full URBN Human Rights Policy can be found [here](#)

## Due Diligence

### Risk Assessment

URBN UK continues to assess the probability and severity of modern slavery in the countries from which we source. We use a country-of-origin risk assessment tool which incorporates country ratings for freedom of association, slavery risk, corruption, and political and civil liberty. These scores then influence the focus of our ethical trade and modern slavery programme on each sourcing country. This tool is paired with third-party ethical audit findings to determine a final risk score.

### Transparency

Suppliers are required to provide full transparency of Tier 1 and 2 facilities at the point of onboarding. Any new facilities must be signed off for use by the brand(s) before being used for production. In FY24, ID codes were created and assigned to tier 1 facilities to gain production visibility at a purchase order level.

In FY23 Q3, URBN UK collaborated with Sedex on their SMETA X audit pilot, giving guidance to factories with limited knowledge on the auditing process resulting in quicker remediation of two high-risk graded factories and supporting Sedex on expanding management system scoping within the SMETA pilot.

### Code of Conduct and Contractual Agreements

URBN reviewed the vendor code of conduct in 2020 and updated the content relating to modern slavery. We continue to ensure that adherence to the vendor code of conduct is part of our terms of business with all suppliers with any steps taken to assess and manage modern slavery risk.

### Assessment of Risk

We use the Walk Free 2023 Global Slavery Index to rate each sourcing country for modern slavery risk. Walk Free produces the index by including the following factors: country by country ranking of the number of people in modern slavery; an analysis of the action governments are taking to respond; and the factors that make people vulnerable. A new analysis will be completed on our risk-based approach once an updated report is released.

### Purchasing Practices

We continually assess whether any of our purchasing actions contribute to ethical trade and modern slavery risk and adjust our business strategy accordingly. In Q1 of FY24, URBN UK recruited a sourcing assistant to support and evolve the quality of vendor screening and onboarding.

Trading and partnership best practice is underpinned by the Better Buying Initiative which covers planning and forecasting; design and development; cost negotiation; sourcing; and order placement. Employees are given advanced modern slavery training under the cost negotiation principles.

## Risk Management

### Supplier Education on Modern Slavery in the Supply Chain

We continue to engage with our suppliers and factories on a variety of focused topics. We launched a vendor immersion program in Q1 FY24, covering topics such as worker consent, overtime, factory fire safety, and general health & safety. This round table format allowed for open forum discussions, empowering our suppliers with knowledge about forced labor in supply chains whilst reiterating our requirements around auditing and transparency of supply chain.

### Ethical Trade Co - Ordinator

In 2022, URBN UK employed an Ethical Trade Coordinator (ETC) to further assess potential risks in the supply chain. Immediate priorities included road mapping and piloting Tier 3 and 4 mapping. This work, and recent proposed legal frameworks surrounding human rights due diligence, highlighted the need to acquire scalable mapping tools. Scoping for these tools began in Q1 FY24.

Additionally, the ETC has worked with the supply chain to streamline and increase transparency with a focus on Tier 2. This resulted in a reduced number of factories from 318 sites to 250 and remediation of all high-risk non compliances in 18 factories.

### Purchasing Practices in our Supply Chain

A comprehensive sourcing strategy has been developed based on the principles of the Better Buying Initiative. This acts as a commitment to fair and equitable relationships between brand and supplier/factory and was rolled out to our product teams in FY23. This remains part of our employee onboarding and is built into the annual training calendar.

### Employee Modern Slavery Training

Additional employee modern slavery training modules were created in partnership with Eversheds Sutherland. This was initially rolled out to product-facing teams and since been rolled out company wide.





## **Risk Management**

### **Global Travel to Facilities and 3rd Party Audits**

Our team remain connected with supply chains through travel to Tier 1 and 2 facilities across all product areas. Our teams have visited 70 units this calendar year.

In partnership with Better Cotton, our sustainability team also visited cotton farms, ginners and spinners in Sanliurfa, Turkey, as we were continuing to navigate the scoping of Tier 3 and 4.

In FY23 we introduced a comprehensive policy outlining acceptable audit requirements, all adhering to the Ethical Trade Initiative (ETI) base code. We continue to use valid third-party audits to assess risk on an ongoing basis, although we do not use these in isolation.

### **Modern Slavery Checklist**

In Q1 FY23, we rolled out a companywide modern slavery checklist that is used for domestic and international site visits.

## FY24 Action

We recognise that continuous progress is necessary to address and eradicate modern slavery in supply chains. In the next Modern Slavery Act reporting period, we plan to undertake the following activities:

- Educate vendor base on the principles of the Better Buying Initiative.
- Top 5 vendor, Tier 3 mapping pilot will commence in the second quarter of FY24. This will be extended to the top 10 vendors by the end of the MSA reporting period.
- Scope third party mapping tool to enable traceability back to farm.
- Introduce worker voice program to encourage engagement directly with factory workers.
- Continue global travel to Tier 1, 2 and 3 sites.
- Continue to conduct open costings for all homeworking artisan product.
- Artisan homeworker scoping project.
- Exploring the use of Isotopic testing.
- Partnering with Sedex on the second stage of their SMETA X pilot

