

This statement is made by URBN UK Limited in accordance with section 54 of the Modern Slavery Act 2015 and covers the financial year from 1 February 2020 to 31 January 2021.

Urban Outfitters is owned by URBN Inc and operates across 58 Stores in Europe as of 31 January 2020, along with its online retailing.

Operating across eleven countries in Europe with direct shipping globally requires URBN to have a large external supply chain traversing all our product areas.

That supply chain provides URBN with domestic and imported products from suppliers of apparel, accessories, shoes, homeware and furniture.

This report is concerned with how URBN UK manages modern slavery risk at suppliers for which it takes direct responsibility. The three URBN brands each operate differently in terms of sourcing and supply chains.

- Urban Outfitters EU sources from 147 direct suppliers and 246 Tier 1 and Tier 2 factories under its direct control, in Bulgaria, China, Egypt, France, India, Indonesia, Italy, Mauritius, Morocco, Portugal, Romania, Spain, Sri Lanka, Taiwan, Tunisia, Turkey, the UAE, the UK and Vietnam.

That supply chain provides URBN UK with domestic and imported products from suppliers of apparel, accessories, shoes, homeware and furniture.

Supply chain definitions

- 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 Factory = A factory that assembles the final product
- Tier 2 Factory = A factory who undertakes subcontracted processes for finishing the product, like dyeing or embroidery.
- Tier 3 Factory = A factory that manufactures product components, like fabric, or leather.

Policies related to modern slavery

URBN UK LTD. shares a vendor code of conduct with URBN INC, [URBN: Vendor Code of Conduct & Responsible Sourcing Policy](#). This code of conduct is sent to suppliers and forms part of their terms of business. The relevant clause on modern slavery is below:

Forced or Compulsory Labor

URBN does not tolerate forced or involuntary labor of any kind at any point throughout its supply chain. Workers must be voluntarily employed and must not be subject to prison labor, bonded labor, indentured labor, or labor obtained through human trafficking, coercion, or slavery. Vendors must not

restrict workers' freedom of movement, retain workers' passports or other forms of identity or personal documents, force excessive overtime, withhold wages or impose debt bondage.

URBN INC. also has a policy on Uzbek cotton, the *Uzbekistan Cotton Policy*, which can be found here <http://investor.urbn.com/static-files/d5277828-a6f9-484e-99e1-5f93d295cfd>

The URBN INC Human Rights Policy can be found here.

<http://investor.urbn.com/static-files/7fbeb23d-1d42-4732-84c5-edceb7172629>

Due diligence for modern slavery

1. Risk assessment

We 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 the ethical trade and modern slavery program has on each sourcing country. This tool is paired with the ethical audit findings to determine the final risk.

2. Purchasing practices

We assess whether any of our purchasing actions contribute to ethical trade and modern slavery risk and adjust our business strategy accordingly.

3. Transparency

We have mapped our supply chain for tier 1 and 2 factories, and we will be publishing a factory list on URBN.com

4. Ensure our code of conduct and contracts contain appropriate wording.

We reviewed our vendor code of conduct in August 2020 and updated the wording on modern slavery. We ensure that adherence to the vendor code of conduct is part of our terms of business with all suppliers.

Steps taken to assess and manage modern slavery risk

Assessment of risk

We use the Walk Free 2018 Global Slavery Index to rate each sourcing country for modern slavery risk. Walk Free produces the index by including these factors: a country by country ranking of the number of people in modern slavery, as well as an analysis of the actions governments are taking to respond, and the factors that make people vulnerable.

Management of risk

1. *Supply chain mapping for all categories*

During 2020 we have mapped all the Tier 1 and Tier 2 factories for all of our product categories and ensured that the Tier 1 factory name is included on purchase orders. We now have full transparency of the supply chains where we can have influence.

2. *Factory assessment through audits and factory visits*

Audits and inspections of these vendors may be semi-announced or unannounced. During any visit, should we find any evidence suggesting noncompliance with the Code of Conduct, we would investigate fully to identify the breach, its cause, and the required steps to achieve resolution and ensure future compliance with our standards. Should a factory be unwilling to address breaches URBN would cease to do business with that factory. We ask all factories to submit valid audits, and we also visited the majority of our UK factories in 2020/21. URBN UK Limited uses a number of third-party audit bodies including but not limited to SGS, Intertek and TUV and accept both semi-announced and unannounced audits.

Since X, we have been unable to travel internationally for factory visits because of Covid-19 restrictions but instead carried out video call visits to 24 factories. Third party audit bodies have also visited sites, to carry out in person audits, where restrictions have allowed. Extensions were granted to audit windows where auditors could not carry out site visits.

3. *New audit requirements*

In November 2020 we asked all suppliers to ensure their factories comply with our new ethical trade audit requirements. We ask that factories provide a valid SMETA or BSCI audit (we consider other audit standards on a case-by-case basis in order to reduce audit fatigue), carried out by a reputable audit body, carried out on a semi-announced or unannounced basis.

4. *Audit grading tool*

Every audit we receive is graded using an audit grading tool that enables consistent and rapid grading of each non-compliance in order to give the factory an overall grade.

5. *All modern slavery non-compliances red-graded*

In 2021 we carried out a review of the audit grading tool and the red/amber/green grades given to each non-compliance, including those relating to modern slavery. We upgraded all modern-slavery non-compliances to be red-graded.

6. *Support to resolve all red-grade non-compliances*

If we identify any non-compliance that we believe could lead to modern slavery we help factories to improve by understanding the root cause of the problem, addressing any management issues, and then seeking robust confirmation that the problem has been solved.

7. UK additional risk management

In 2020 we developed and initiated a UK factory programme to identify the factories at greatest risk, and to coach those with problems to improve.

We carry out a combination of document reviews and management interviews to assess modern slavery risk, which we then compare with audit results to give a holistic view of factory conditions, and management attitude and ability to improve. Due to Covid-19 risk we did not interview workers.

We also carried out unannounced visits to UK factories, including in the evenings. During one such evening visit we discovered eight workers who had not had their right to work documentation checked before starting work, were not given any contractual documents and were unable to inform us of their hourly rate of pay. Seven of those workers did in fact have the right to work in the UK, but one did not and was therefore at high risk of exploitation and modern slavery. We ensured he has been supported to apply for the right to work documentation, and received all monies owed to him. We also ensured the factory initiated a system for ensuring workers have the correct documentation.

The effectiveness of our ethical trade and modern slavery programme

This year we have started using a number of key performance indicators to assess the effectiveness of our efforts to improve working conditions in our supply chains, and also to combat modern slavery.

Key Performance Indicators	2020/21 results
% of supply chain mapped for T1/2	100%
% of Tier 1/2 factories assessed for potential risk	100%
% of Tier 1/2 factories audited	95%
% of Tier 1/2 factories visited or video called	40%
% of Tier 1/2 factories graded red for modern slavery non-compliance	0.3%

% of Tier 1/2 factories graded red for modern slavery non-compliance resolved in 1 month	100%
% of product development teams trained in modern slavery	70%

Modern slavery training and capacity building for staff

Tech team training

Our technical team is the main contact point for factories and manage the ethical trade audit programme. This year we delivered two ethical trade training sessions that included elements on modern slavery to our technical team.

Training for wider product development teams

Our sourcing teams received 2 modern slavery training modules provided by Eversheds.

Our Whistleblowing policy encourages our employees to raise concerns and/or disclose information without fear of retribution.

Plans for the period 2021/22

In the next reporting period for the Modern Slavery Act we plan to undertake the following activities

1. Assess all indirect suppliers for potential risk through a desktop review, and to assess those flagged as high risk for actual risk through calls, visits, audits, and worker surveys, where appropriate.
2. Support direct suppliers and educate them on how to spot and remediate modern slavery risk at their Tier 1/2 factories.
3. In-depth training for all product development teams by specialist ethical trade consultancy.
4. Supporting indirect procurement staff and educate them on reducing the risk of modern slavery at their suppliers.
5. A review of purchasing practices that can improve working conditions and especially reduce the risk of modern slavery.
6. Initiate a project to ensure all factories obtain and records consent for overtime working.
7. Create a simple modern slavery checklist for factory visits by buyers and technologists.

This statement has been approved by URBN UK Limited board of Directors who will review and update it annually.

Signed

A handwritten signature in blue ink, appearing to read 'Michael Marth', is positioned above the printed name.

Michael Marth

URBN COO, Europe