

Modern Slavery Act Report 2021/22

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 2021 to 31 January 2022.

62 Stores

12 Countries

1 Fulfilment centre

104 Suppliers

406 Tier 1 and 2 facilities

Direct and import model

Urban Outfitters is owned by Urban Outfitters, Inc. ("URBN") and has a vast brick and mortar footprint across Europe, along with its online retailing.

Operating across twelve countries in Europe, with direct shipping globally, requires URBN to have a large external supply chain traversing multiple product areas.

The 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 with 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 OB products from 104 direct suppliers and 406 Tier 1 and Tier 2 factories in Bulgaria, Canada, China, Egypt, France, India, Indonesia, Italy, South Korea, Mauritius, Morocco, Pakistan, Portugal, Romania, Spain, Sri Lanka, Taiwan, Thailand, Tunisia, Turkey, the United Kingdom, Ukraine and Vietnam.

URBN 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 the 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 manufactures product components or material |
| Tier 4 Facility | A facility that harvests raw materials, like cotton, used to make products such as apparel |

Policies related to modern slavery

URBN UK LTD. shares a vendor code of conduct with Urban Outfitters, 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.

Urban Outfitters Inc as a Forced Labor Statement, which can be found [here](#), as well as a policy on Human Rights, which can be found [here](#)

Due diligence for modern slavery

1. Risk Assessment

We continue to assess the probability and potential extent and character 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 Company's 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 continually assess whether any of our purchasing actions contribute to ethical trade and modern slavery risk and adjust our business strategy accordingly.

3. Transparency

Suppliers are required to provide full transparency of tier 1 and 2 facilities at the point of onboarding. Any new facilities taken on must be signed off for use by the brand before being used for production.

4. Code of Conduct and Contractual Agreements

We reviewed our vendor code of conduct in 2020 and updated the wording on modern slavery. We continue to 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 action governments are taking to respond, and the factors that make people vulnerable. We will re-evaluate our risk-based approach once Walk Free's 2022 report is released.

Management of Risk

1. *Desktop Review for Potential High-Risk Facilities*

Due to the level of Covid cases globally, our team was unable to travel to Tier 1 or 2 facilities outside the United Kingdom throughout 2021. We therefore continued to rely on 3rd party audits, from bodies accepted by Urban Outfitters, to assess risk and provide desktop reviews.

2. *Supplier Education on Modern Slavery in the Supply Chain*

Our team continues to educate suppliers on issues around forced labor in their daily discussions with vendors. In doing so, this empowers our suppliers to be aware of potential issues within their supply chain. The modern slavery training will be rolled out to suppliers in 2022.

3. *Ethical Trade Consultant*

During 2021, URBN employed an ethical trade consultant to assist in the assessment of potential risk in the supply chain. Our facility liaison teams were given extensive training and complimentary tools to expand their knowledge.

Our team has expanded this year to support the growing number of facilities mapped.

4. *Indirect Procurement Team Training on Modern Slavery*

Modern Slavery training was created in 2019 and was initially targeted at product development teams. In 2021, this training was rolled out to the broader company to include all associates.

5. *Purchasing Practices in our Supply Chain*

A comprehensive procurement 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/ facility.

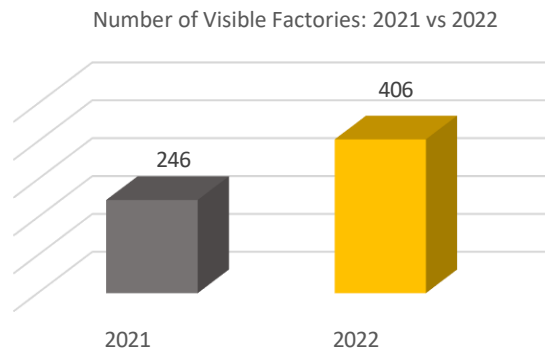
6. *Worker Consent for Overtime Working*

This project will commence with a series of vendor immersion sessions in Q2 of FY23. The sessions will be piloted with the top 10 suppliers before being rolled out to the wider supplier base.

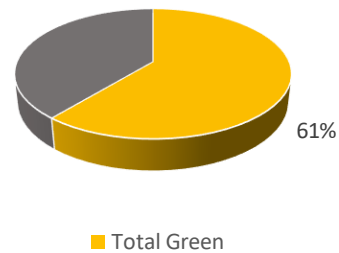
7. *Our Modern Slavery Checklist*

The Ethical Trade Team have developed a comprehensive checklist for product teams to use when visiting factories.

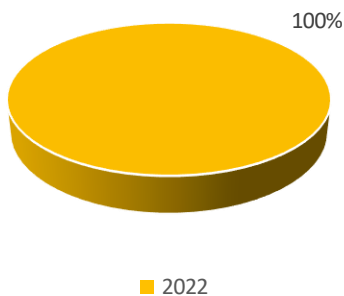
The effectiveness of our ethical trade and modern slavery programme



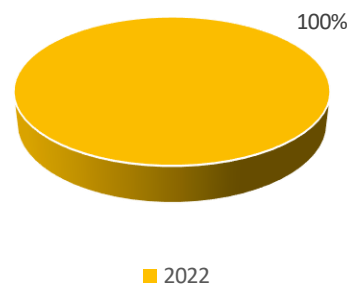
% of Low risk Tier 1 and 2 Factories

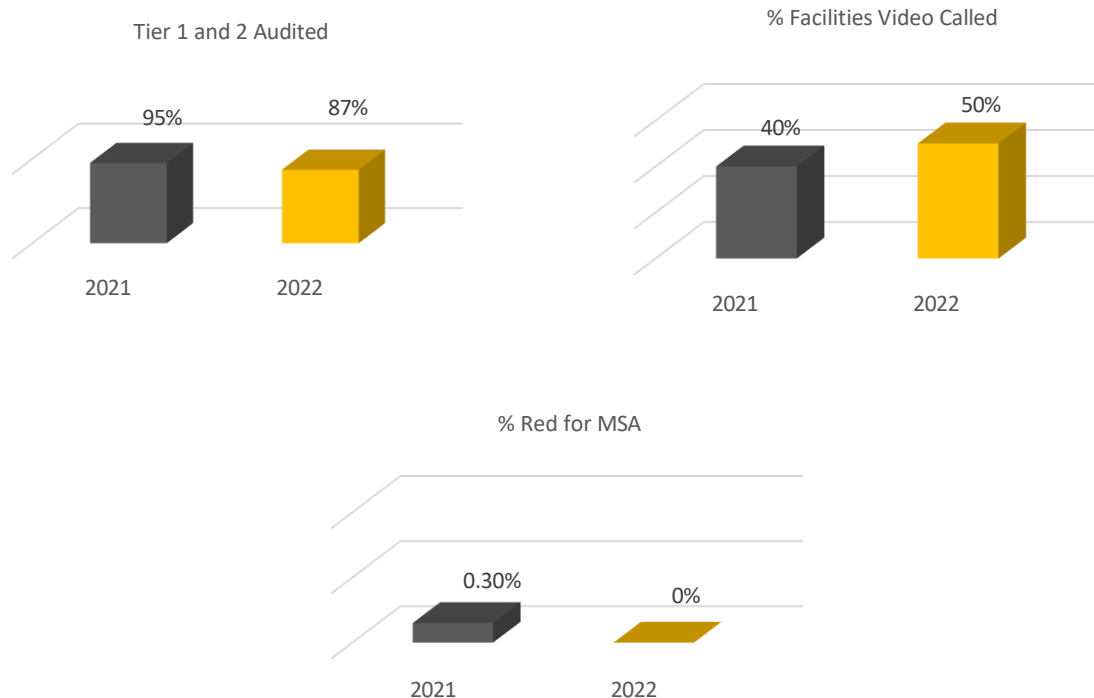


% Facilities Mapped



% Assessed for Risk





Through extensive facility mapping, a further 160 facilities have been added to the database. This effort has driven up the number of facilities without ethical audits however there are action plans in place to have these facilities audited over the next 6 months. 4% of the facilities were graded red high-risk, albeit not for modern slavery. As with previous years, 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.

In terms of internal training, 58% of product teams were trained in Modern Slavery last year.

2022/23 at a glance

In the next reporting period for the Modern Slavery Act (MSA 2015) we plan to undertake the following activities:

1. Our team is working on a system to gain visibility of factories at a purchase order level
2. We'll be focusing on capacity building with suppliers to increase knowledge on modern slavery in the supply chain.
3. With a reduction in Covid-19 cases, our team will be extending travel to visit our global facilities.

4. A Tier 3 mapping pilot, using the top 5 vendors, will commence in the second quarter of FY23. Once complete, this will be extended to the top 10 vendors with a completion date of year end.
5. Recognizing that training of modern slavery is essential, our training material provided to internal URBN employees will be reviewed to ensure all associates are aligned. This includes an enhanced version for hiring managers within the organization.
6. An analysis into our indirect supplier agreements will be conducted to confirm the terms and conditions of the agreement are aligned with our modern slavery ethos.

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

Signed

A handwritten signature in black ink, appearing to read 'Michael Marth', with a stylized, cursive script.

Michael Marth

URBN COO, Europe