

UK Modern Slavery Act Statement



2023



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Introduction

This Modern Slavery Statement is published in accordance with Section 54 of the UK Modern Slavery Act 2015. It outlines the steps that beeline Group* has taken during the financial year ending 31.12.2023 to ensure that slavery and human trafficking are not occurring within our supply chains or in any part of our business. beeline Group is committed to acting ethically and with integrity in all our business dealings, and we strive to implement and enforce effective systems and controls to combat modern slavery and human trafficking in our operations. This statement reflects our commitment to understanding the risks of modern slavery and to continually improving our practices to prevent exploitation and abuse.

As we have progressed in our human rights efforts, we have gained deeper insight into the risks and trends associated with modern slavery, allowing us to enhance our approach:

- Establishing a comprehensive due diligence process under the German Supply Chain Act, which includes all forms of forced labor and their prevention.
- Identifying and addressing discovered violations through our auditing activities at tier 1-2 production levels.

- Conducting human rights training for all headquarter employees and suppliers in accordance with the German Supply Chain Act, covering also forced labor and slavery aspects.
- Developing and implementing a human rights strategy.
- Updating our sustainability governance and management system.
- Expanding our whistleblowing policy to include a supplier complaint line for better identification of forced labor incidents in the supply chain.

In the coming year, we will further develop our strategy for managing the risk of modern slavery within our business and supply chains, ensuring our approach remains responsive to evolving risks as we strive to eradicate modern slavery.

Hinrich Tode & Marc-Olivier Oeuvarde
CEO & CSO

07.06.2024



Hinrich & Marc

*Entities obligated to publish a statement under the Modern Slavery Act and thus included in this Group Statement comprise beeline GmbH and beeline UK Accessories Limited.

Our business and value chain

beeline is a leading supplier of fashion jewelry and accessories in Europe. We develop and distribute fashionable collections at affordable prices. The collections are divided into the following labels: SIX, I AM, ACC, TOSH, and private labels. We offer fashion jewelry, fine jewelry, eyewear, hair accessories, and textile accessories.

beeline Group and its subsidiaries

The beeline Group is headquartered in Cologne, Germany. It comprises a total of 22 subsidiaries in the European Union (Austria, Belgium, the Czech Republic, France, Germany, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Slovakia, Spain), Europe (Switzerland, the United Kingdom), North America (Canada, the United States of America), and Asia (China).

Suppliers in Asia and Europe

We do not operate own factories, but rather source from suppliers. We purchase products as well as packaging, displays, cards, and marketing materials. In this chapter, we report on product suppliers in particular. In 2023, we sourced products from a broad network of suppliers based in China, Thailand, Vietnam, India, South Korea, Italy, and Taiwan. Production units were located in China, Thailand, Vietnam, India, and Italy. In 2023, we worked together with 54 suppliers.

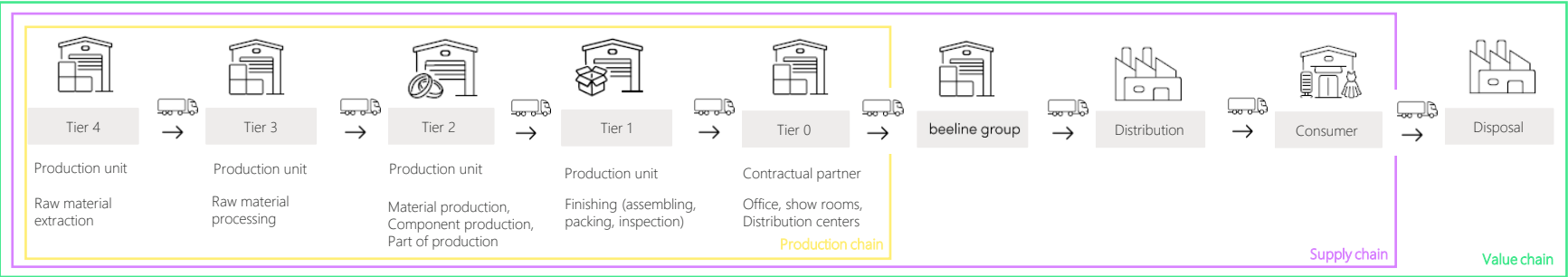
Value chain

Our value chain follows the life cycle of our goods: from production to distribution, use, and end-of-life. It comprises our production chain (how we make our products) and our supply chain (how we

make and distribute our products). While these definitions may seem quite technical, they help us to look more holistically at what we do.

How our products are made

Our production chain comprises four so-called tiers. Simply put, a tier is like a level in a video game. Once a product has passed a tier, it can move on to the next one. For example, the making of a brass hoop earring begins with extracting copper and zinc from the ground (tier 4). The two metals are combined to form the alloy brass. Brass is cast to form wire. The brass wire is cut and stamped to form two components: the hoop and the pin (tier 3). Hoop and pin are joined together. The ear hoop is polished, filed, and plated (tier 2). It is checked for faults and is then ready to be shipped (tier 1).



Policies

At beeline Group our commitment to sustainability is a cornerstone of our overall business strategy. This comprehensive approach encompasses all facets of our operations, ensuring that we uphold the highest standards of ethical conduct and respect for human rights.

Sustainability Mission 2025

Our general approach to sustainability is outlined in our → Sustainability Mission 2025, which serves as a guiding framework for our environmental, social, and governance (ESG) initiatives. This strategy underscores our dedication to creating long-term value for our stakeholders while minimizing our environmental footprint and promoting social well-being.

Addressing Forced Labor

The issue of forced labor is explicitly addressed in our human rights strategy and Codes of Conduct. These documents articulate our zero-tolerance policy towards modern slavery and detail the measures we take to prevent and mitigate such risks. Our human rights strategy includes due diligence processes designed to identify and address potential human rights abuses in our operations and supply chains.

1. Human Rights Strategy

- We conduct regular risk assessments to identify areas where forced labor risks may be present.

- We engage with suppliers to ensure they understand and comply with our human rights expectations.
- We provide training to our employees and suppliers on human rights issues, including the prevention of forced labor.

2. Codes of Conduct

- Our Codes of Conduct clearly outline the standards of behavior we expect from our employees and business partners.
- These codes include explicit prohibitions against the use of forced labor, child labor, and any form of human trafficking.
- We require all suppliers to adhere to our Codes of Conduct as a condition of doing business with us.

Grievance Management System

In the event of a complaint or violation, we have established a robust grievance management system. This system provides a secure and confidential mechanism for employees, suppliers, and other stakeholders to report concerns related to forced labor or any other unethical practices.

Reporting channels

Our grievance mechanism includes multiple reporting channels, such as a Supplier Complaints Line. Reports can be made anonymously, ensuring that whistleblowers are protected from retaliation.

International standards

Our policies and practices are grounded in internationally recognized standards:

- Universal Declaration of Human Rights of the United Nations (UN)
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- Principles of the United Nations Global Compact (UNGC)
- UN Convention on the Rights of the Child
- OECD Guidelines for Multinational Enterprises

These standards provide a robust framework for our efforts to combat modern slavery and ensure that our business operations respect and promote human rights globally.

By integrating these policies and standards into our business practices, we strive to create a work environment that is safe, fair, and transparent. Our commitment to combating modern slavery is unwavering, and we continuously seek to improve our practices to ensure the highest levels of integrity and accountability in our efforts.

All policies are accessible on our → [website](#).

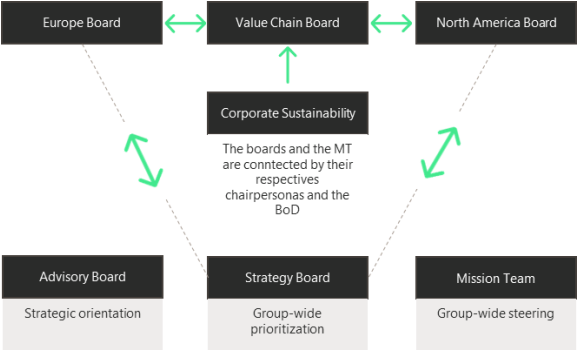
Governance and Management System

Corporate Sustainability Governance

We define corporate sustainability governance as the legal and factual regulatory framework for the management and monitoring of more sustainable value creation activities, taking into account the interests of relevant stakeholder groups.

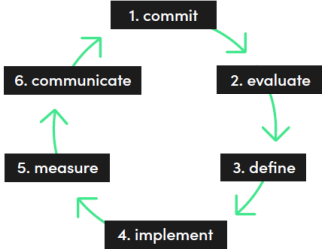
Our sustainability governance sits within the larger corporate governance of the beeline group. The group is steered by several Boards and the Mission Team. The Board of Directors is responsible for the overall management of beeline. The Corporate Board develops the best possible framework conditions for the company. The Advisory Board is responsible for the strategic orientation of the company. The Mission Team takes group-wide decisions. The Europe, North America and Value Chain Boards manage their respective business divisions.

Issues related to modern slavery and human rights fall under the purview of our Corporate Sustainability and Compliance Department.



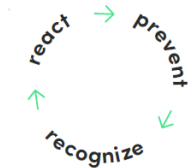
Corporate Sustainability Management System

Our sustainability management system was developed based on recommendations by the United Nations Global Compact. It outlines how sustainability topics are managed within beeline Group.



Corporate Sustainability Compliance Management System

Our sustainability compliance management system is part of the above-described sustainability management system and is based on the wider beeline compliance management system. It was developed to monitor and comply with increasing legal requirements on sustainability.



Due diligence processes

At beeline Group, we are committed to upholding the highest standards of ethical conduct and human rights throughout our supply chain. As part of our dedication to eradicating forced labor, we have implemented a comprehensive set of preventive measures, which are detailed below.

1. Internal and external supplier audits

To ensure compliance with our ethical standards and to detect any instances of forced labor, we conduct internal and external audits up to tier 2. These audits are performed regularly and cover all aspects of our suppliers' operations. Our internal audit team works closely with third-party experts to provide an objective assessment, ensuring transparency and accountability across our supply chain.

In 2023 we conducted 260 internal and 36 external audits to verify compliance with our standards.

2. Internal and supplier training programs

Education and awareness are crucial in the fight against forced labor. We provide training programs for both our employees and our suppliers. These programs focus on recognizing the signs of forced labor, understanding the legal and ethical implications, and knowing how to report any suspicions or incidents. By fostering a culture of vigilance and responsibility, we empower our workforce and partners to act decisively against any form of exploitation.

3. Grievance Management System

We have established a robust grievance management system to ensure that all stakeholders, including employees and suppliers, have a safe and confidential way to report concerns related to forced labor. This system is designed to handle complaints promptly and effectively, with a clear protocol for investigation and resolution. Our commitment to protecting whistleblowers ensures that anyone who raises a concern is safeguarded against retaliation.

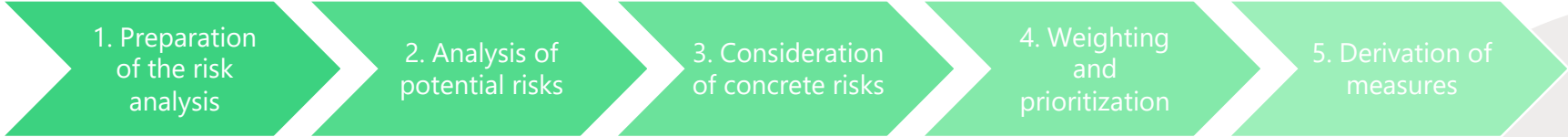
4. Contractual commitments through Supplier Code of Conduct

All of our suppliers are required to sign and adhere to our Supplier Code of Conduct, which explicitly prohibit forced labor and outline our expectations regarding ethical behavior. The Supplier Code of Conduct are incorporated into our contractual agreements, making compliance a binding obligation. By formalizing these commitments, we ensure that all parties are fully aware of and accountable for upholding our standards.

At beeline Group, we recognize that the fight against forced labor is ongoing and requires continuous effort and vigilance. We are dedicated to improving our practices, enhancing our training programs, and working closely with our suppliers to create a supply chain free from exploitation. Our proactive measures reflect our unwavering commitment to human rights and ethical business practices.



Risk analysis - Method



1. Preparation of the risk analysis

To conduct the risk analysis for our UK Modern Slavery Act Statement, we start by preparing a comprehensive overview of our corporate structure and procurement processes. This involves collecting detailed self-disclosures from all relevant departments and suppliers, which helps establish a baseline understanding of our operations and potential risk areas.

2. Analysis of potential risks

Next, we analyze potential risks by reconciling various sources of information regarding human rights and environmental risks. This step includes cross-referencing internal data with external reports to identify potential areas of concern. Additionally, we expand our beeline Group materiality analysis to incorporate human rights and environmental risks, evaluating these risks at several levels: country, product, and stage of the supply chain, including raw material extraction, production, distribution, use, and disposal.

3. Consideration of concrete risks

We then consider concrete risks by conducting a detailed examination of specific risk factors using various sources of information. These sources include audit reports, complaint reports, supplier self-disclosures, Environmental Social Health Impact Assessments (ESHIA), and employee surveys. Reviewing these sources allows us to identify recurring issues and assess impacts from an environmental, social, and health perspective.

4. Weighting and prioritization

Following this, we weight and prioritize the identified risks based on several criteria. These criteria include the nature and scope of our business activity, the probability of occurrence, the severity of the injury (considering the degree, number of people affected, and irreversibility), our possibilities of influence, and the company's contribution to each risk or risk area.

5. Derivation of measures

Finally, we derive measures to address the identified risks. This involves developing preventive measures to stop potential risks from materializing, taking remedial actions to address any issues that have already occurred, and ensuring these measures are systematically implemented during our risk management process.

Risk analysis - Results

As part of our UK Modern Slavery Act Statement, we conducted a thorough risk analysis of our supply chain. The analysis identified forced labor as a high-severity risk, though the likelihood of its occurrence was deemed low. Our internal and external supplier audits, based on the ILO Conventions No. 29 and No. 105 and other international standards, focused on several key areas to ensure compliance.

Supplier requirements

Suppliers are required to establish a management system to verify that labor is voluntary, and that work is freely chosen. Any form of bonded labor is strictly prohibited, and workers must be allowed to move freely within the facilities. Furthermore, suppliers must implement a management system for occupational disciplinary measures, which must comply with local laws, be respectful, and exclude any form of violence. These measures should also align with the Universal Declaration of Human Rights. Additionally,

suppliers need to establish a management system for handling occupational grievance procedures.

Audit results 2023

These primary audit points were verified in detail on-site at the suppliers' facilities through document reviews and interviews. During the 2023 audits, we identified the following violations:

- In China, 10 violations were found.
- In India, 2 violations were identified.
- In Thailand, 6 violations were discovered.

This totals 18 violations. Specifically, the issues included:

- Six instances of missing policies.
- Seven cases of salary reductions due to tardiness instead of issuing warnings and the use of "runaway insurance."
- One instance where security personnel lacked training on human rights.

- One case of a missing work permit.
- Three instances of missing grievance boxes.

Corrective Actions

To address these violations, we implemented several corrective measures. All violations have been rectified through the development of appropriate policies, the reimbursement of salaries, training for management and employees, the procurement of necessary documents, and the implementation of a comprehensive grievance management system. These actions ensure that our suppliers adhere to our strict standards and international regulations, thereby safeguarding the rights and well-being of all workers within our supply chain.



Effectiveness review

As part of our commitment to combatting modern slavery within our operations and supply chain, we conduct an annual effectiveness review to assess the impact and efficacy of our policies and measures. This review is a critical component of our ongoing efforts to ensure compliance with the UK Modern Slavery Act and to uphold the highest standards of ethical conduct.

The annual effectiveness review involves a comprehensive evaluation of our modern slavery risk management framework. This includes a detailed analysis of our policies, procedures, and practices to identify any gaps or areas for improvement. We systematically review the following aspects:

1. Policy and Procedure Review

We examine the robustness of our existing policies on forced labor, human trafficking, and modern slavery. This includes ensuring that our policies are aligned with the latest international standards and best practices, particularly those outlined by the International Labour Organization (ILO) and the United Nations.

2. Supply Chain Audits

We conduct thorough audits of our supply chain. These audits involve on-site visits, document reviews, and interviews with workers and management to verify compliance with our anti-slavery policies. The results of these audits are analyzed to identify trends

and recurring issues that need to be addressed.

3. Training and Awareness Programs

We evaluate the effectiveness of our training programs aimed at raising awareness about modern slavery among our employees and suppliers. This includes assessing the reach and impact of these programs, ensuring that they are accessible and informative, and that they empower individuals to identify and report potential cases of modern slavery.

4. Grievance Mechanisms

We review the accessibility and effectiveness of our grievance mechanisms, ensuring that workers have safe and confidential channels to report any concerns or violations. The number and nature of grievances reported, as well as the resolution outcomes, are analyzed to gauge the effectiveness of these mechanisms.

Corrective Actions and Continuous Improvement

We assess the implementation and effectiveness of corrective actions taken in response to identified violations or risks. This includes reviewing the timeliness and adequacy of these actions and identifying any areas where further improvements are necessary.

Stakeholder Engagement

We engage with various stakeholders, including employees, suppliers and industry groups to gather feedback on our sustainability initiatives. This input helps us to refine our strategies and ensures that our efforts are aligned with the needs and expectations of our stakeholders.

The findings from the annual effectiveness review are documented, which is presented to our board of directors. Based on these findings, we update our modern slavery risk management framework, making necessary adjustments to enhance our effectiveness in preventing and addressing modern slavery.

By conducting this annual review, we demonstrate our ongoing commitment to transparency and accountability in our efforts to eradicate modern slavery. This proactive approach ensures that we continuously improve our practices and uphold our responsibility to protect the rights and dignity of all individuals within our operations and supply chain.

You have questions? Great. Get in touch with us!



Corporate Sustainability

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