



Modern Slavery Act Statement

Slavery, servitude, forced labour and human trafficking (modern slavery) are issues of increasing global concern, affecting all sectors, regions and economies. The Modern Slavery Act seeks to address the role of businesses in preventing slavery and human trafficking from occurring in their business and supply chains.

Modern slavery is fundamentally unacceptable within our business and supply chains and is an important element in our overall approach to business and human rights. G-Star is committed to respecting, protecting and championing the human rights of all those who come into contact with our operations, including employees, stock and non-stock supply chain workers, customers and local communities. We accept our responsibility to support transparency and honesty and are proud of the steps we have taken to combat slavery and human trafficking described in this statement and supporting documents (Code of Conduct, Social & Labour Guidelines and G-Star Supplier monitoring & development process explained). Nevertheless, G-Star will continue to find and resolve challenges, and to work with others to protect the rights of workers, particularly those who are most vulnerable to abuses such as modern slavery.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes G-Star's slavery and human trafficking statement and sets out the steps that G-Star has taken and is continuing to take to ensure that modern slavery is prevented in our business operations and supply chains for the financial year ending 2018.

ABOUT G-STAR

G-Star RAW is an international denim brand that designs denim and denim related products. We are a part of the G-Star group of companies, and our ultimate parent company is G-Star RAW C.V. G-Star RAW C.V. has its head office in Amsterdam, the Netherlands. With over 1500 employees worldwide and a presence in 63 countries, we are one of the world's leading brands in ethical and sustainable denim.

SUPPLY CHAIN STRUCTURE

G-Star is a wholesaler and retailer in the apparel sector and purchases ready-made garments from its suppliers. Our supply chain is divided into four tiers, which are in line with the definition of different manufacturing tiers provided by the Sustainable Apparel Coalition (SAC).

Tier 1 are all processes related to **finished product assembly** such as cutting, panel screen printing, embroidery, sewing, washing, pressing, garment dyeing, packing etc.

Tier 2 includes all processes related to **material production** such as weaving, knitting, fabric dyeing/printing, chemical/mechanical finishing, tanning etc.

Tier 3 includes all processes related to **raw material production** such as stock dyeing, yarn spinning/dyeing, fleshing, liming etc.

Tier 4 relates to all processes of **raw material extraction** such as growing and harvesting of plants, raising and slaughtering of animals and extraction and processing of oils, minerals and chemicals.

OUR POLICIES AND COMMITMENTS ON SLAVERY AND HUMAN TRAFFICKING

In the apparel industry, the highest risk of human trafficking is for purposes of forced labor and forced child labour. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. The G-Star Compliance policy consists of four parts; G-Star Supplier Code of Conduct, G-Star (Manufacturing) Restricted Substances List, G-Star Materials Policy and the Supplier Declaration through which our suppliers acknowledge the



standards in each of these documents. All our suppliers are expected to meet these standards, if not immediately, then within a reasonable timeframe discussed with and approved by G-Star. The G-Star Corporate Responsibility Department commits to work in collaboration with these suppliers to work on the necessary improvements.

G-Star works directly with its suppliers and has its own Sourcing Department, therefore we do not make use of agents. We developed the G-Star Supplier Code of Conduct to ensure that G-Star products are made under socially and environmentally fair and safe circumstances. This Code of Conduct outlines the minimum social and environmental standards we expect each factory to meet and gives guidelines hereto. Furthermore, it establishes standards that guards against all forms of forced and child labour, the payment of deposits and guarantees and the retention of workers' documents. The Code is based on the UN Universal Declaration of Human Rights, the ILO Core Conventions, The Ethical Trading Initiative (ETI) Base Code, the SMETA Environmental Criteria and ISO 14000.

G-Star does not tolerate any supplier that, directly or indirectly through its sub-contractors or business partners, violates the laws of the country where the products are manufactured or knowingly violates our standards. G-Star will take immediate and appropriate action upon notification of such violation.

DUE DILLIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk we conduct due diligence checks based on the OECD Due diligence guidance for Responsible Supply Chains in the Garment and Footwear Sector. In addition to this, G-Star makes use of several analyses such as the Fair Wear Foundation (FWF) Country Study's, SGS Country Briefs and documentation from the ILO and the ministry of Foreign Affairs of the Dutch Government in order to classify the risks per sourcing country. Finally, G-Star is well aware of the fact that it is not uncommon in the garment industry that factories (partly) outsource their order to homeworkers. In general, G-Star prohibits subcontracting to homeworkers. Thereto, we ensure that we are aware of the capacity at the factories ahead in order to reduce the chance of subcontracting and include homeworkers in the due diligence check which is performed on a seasonal basis, based on the products that G-Star sources.

We have systems in place to:

- Identify and assess potentials risks areas in our supply chains.
- Mitigate risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.

TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff and educate them on the risks associated with not complying with our labour standards. Furthermore, we also support our business partners to train their staff and suppliers.

OUR EFFECTIVENESS IN COMBTING SLAVERY AND HUMAN TRAFFICKING

We understand that Modern Slavery risk is not static, and will continue our leading approach to mitigating this risk in the year ahead. In order to assess the effectiveness of the measures taken by G-Star we will



be reviewing the following key performance indicators such as audit statistics, supplier performance against our Code of Conduct and training levels of our suppliers and their staff.

G-Star RAW C.V.

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