

# Modern Slavery and Human Trafficking Statement

Savers Health and Beauty Limited  
Year ended 31 December 2022

The logo for Savers, featuring the word "savers" in a bold, lowercase, sans-serif font. The letter "v" is stylized with a red checkmark shape integrated into its vertical stroke.

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HEALTH HOME BEAUTY

## *Introduction*

This is our 2022 modern slavery and human trafficking statement issued in accordance with section 54(1) of the Modern Slavery Act 2015 (the “Act”) and sets out the steps that Savers Health and Beauty Limited (“Savers” or “we” or “us” or “our”) has taken and will continue to take to prevent modern slavery and human trafficking from taking place within our operations and supply chain.

This statement relates to Savers’ business activity during the financial year ended 31 December 2022 and builds on our continuous commitment to combat modern slavery as set out in our previous modern slavery and human trafficking statements.



## *Message from our Managing Director*

2022 has been a challenging year for many in society both in the UK and around the world, which has served to exacerbate the prevalence and risks of modern slavery. The Covid-19 global pandemic was starting to recede but left behind fragile economies and impacted communities. The challenges posed to the UK economy meant further job losses across various sectors, which in turn continues to rapidly widen the social inequality gap.

Media headlines were dominated by the conflict in the Ukraine, which saw over 80,000 refugees rehoused into the UK under the Homes for Ukraine Scheme. The effect of the conflict in the Ukraine also triggered an unprecedented surge in energy and fuel costs, further adding to the cost-of-living crisis with the most vulnerable hit the hardest and #heatoreat became a viral hashtag on social media. The discontent in the country was also reflected in the strikes and walkouts across several public and private organisations.

We recognise that the turbulent state of the UK and economic downturn of the last year increased the risk of human trafficking, slavery, servitude, forced and compulsory labour, and we have increased our efforts to combat this. We took the decision to partner with UK-based anti-slavery charity Unseen (UK) (“Unseen”), an organisation founded in 2008, to assist us in our activities to counter

modern slavery. Unseen provides safehouses and support here in the UK for survivors of human trafficking and modern slavery as well as a 24-hour helpline so those affected can reach out to gain the assistance they need.

We manage the risk of modern slavery in our operations through a combination of audits, investigations, training and communication. Modern slavery forms an integral part of our ESG framework and we will continue to place great focus on this in 2023.

## CK Hutchison Group Context

Founded in 1988, Savers is one of the UK's leading health and beauty retailers and is a wholly owned subsidiary of A.S. Watson (Health & Beauty UK) Limited ("ASW H&B UK") and is a member of the A.S. Watson Group which is the world's largest international health and beauty retailer. Savers is ultimately controlled by CK Hutchison Holdings Limited, which is listed on The Stock Exchange of Hong Kong Limited.

We have an extensive internal awareness program and rigorous risk assessment regarding our fight against modern slavery and improving the minimal labour standards thorough our participation with external non-profit organisations. We benefit from the resources of the A.S. Watson Group in our anti modern slavery activities. For example, the A.S. Watson Group continues to engage with [The Mekong Club](#), a leading non-government organisation working against modern slavery that works with companies and their suppliers to develop awareness, practical toolkits and strategic thinking to end modern slavery.

A.S. Watson Group was the first member of The Mekong Club to sign up to its Business Pledge Against Modern Slavery in 2017, demonstrating its commitment to preventing and addressing modern slavery. In 2022, the A.S Watson Group developed its best practice Supplier Ethical Toolkit using the principles enshrined by its Mekong Club pledge and the BSCI Code and guidelines (see below) that our suppliers can implement into

their own operations. This best practice Supplier Ethical Toolkit supplements our existing procedure regarding ethical audits (see Supply Chain and Own Brand sections) which are aimed at unearthing any ethical issues with a particular supplier as well as obtaining a signed commitment from each supplier that they adhere to the A.S Watson Group's zero-tolerance policy against modern slavery.



*Our operating model*



**5,300**

Employees



**£673m**

Revenue



**517**

Stores



**1**

Overseas country  
directly sourced from



**2**

Distribution  
Centres



**800**

Total number  
of suppliers



**4**

Own Brand  
Suppliers

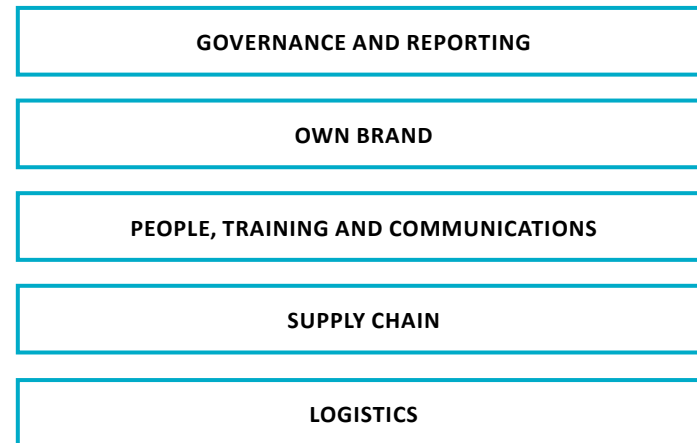
## Modern slavery steering group

ASW H&B UK set up a steering group (“ASW H&B UK Steering Group”) to oversee and co-ordinate the Modern Slavery Act compliance initiatives for all UK based companies of the A.S. Watson Group including Superdrug Stores plc, Savers Health and Beauty Limited and The Perfume Shop Limited.

The ASW H&B UK Steering Group includes representatives from across ASW H&B UK’s subsidiaries and is chaired by its Finance Director. The ASW H&B UK Steering Group is responsible for:

- monitoring, reviewing and reporting on anti-modern slavery activities;
- assessing potential risk areas that could be exposed to modern slavery;
- developing initiatives to help mitigate modern slavery risk areas that have been identified within our business and supply chain;
- progressing our anti modern slavery strategy and implementation plan including regular reviews of progress within our business operations and supply chain; and
- reporting back to the business and key stakeholders on the results, including any anti modern slavery corrective activity identified.

During 2022, the composition of the ASW H&B UK Steering Group was refreshed to ensure a more focussed approach on our key risk and control areas, being:



## *Governance & Reporting*

The Savers Health and Beauty Limited Code of Conduct (the “Code of Conduct”) applies to all our employees and contractors and sets out the ethical standards and principles we expect our employees to uphold for our business. Transparent, honest and ethical behaviours continue to be the pillars we hold at the forefront of our business, as well as countering modern slavery and forced labour, bribery and corruption. Our human resources’ policies supplement and complement our Code of Conduct.

We take any breaches of our policies extremely seriously. We provide our employees access to a confidential helpline called “Speak Up” which enables our employees to report any concerns directly to the Savers Head Office via telephone and email. The “Speak Up” helpline is operated during our business working hours and forms part of all employees’ online inductions. As part of our partnership with Unseen we also now have a 24-hour helpline available for specific modern slavery related queries and concerns.

A legal update on the changes to the legislation on modern slavery in the UK was also presented to our Executive Committee during 2022. Our Executive Committee is fully committed to combatting modern slavery in our supply chains and accordingly it supports the establishment of the partnership with Unseen and the ASW H&B UK Steering Group’s activities for the year 2022.



## Own brand

At Savers, the products we produce ourselves or have contractually manufactured under our guidance (“Own Brand”) are key to our success. High standards of ethical compliance are an integral part of our sourcing processes for Own Brand products, and we continually strengthen these standards wherever possible.

Since 2008, the A.S. Watson Group, including Savers, has been an active member of amfori’s Business Social Compliance Initiative (“BSCI”), which is a leading business-driven initiative for companies committed to improving working conditions in the global supply chain. We follow the BSCI Code of Conduct and guidelines (the “BSCI Code”), which covers key principles such as ethical business behaviour, no bonded labour or child labour, decent working hours and fair remuneration, as well as requirements for auditing, remediation and training of suppliers located in risk countries. The latest BSCI Code is integrated into our trading contracts and where possible, we conduct regular compliance assessments against the BSCI Code.

Our UK Own Brand products are sourced from 4 suppliers, which manufacture their products in over 29 manufacturing sites across China. All of these manufacturing sites are in a country that we have identified as being a potential risk country and are therefore subject to regular independent ethical audits.

Suppliers that carry out manufacturing activities in higher risk countries are not approved to supply Own Brand products until an appropriate independent ethical audit is submitted for our review and we are satisfied that any perceived modern slavery risks have been addressed. Once established as a supplier, they remain subject to regular ethical audits by independent third-party auditing organisations, such as Bureau Veritas.

An ethical audit is an inspection or examination of processes or systems to ensure compliance with ethics-related requirements. It is an investigation into how well a company or organisation conforms to the ethical standards of its industry or society in general. It is designed to dig deep into the practices of a business and its dealings, to see how closely a company follows its own rules, as well as how far it complies with any external guidelines and nationally recognised standards regarding ethics. The audits are generally based on the labour standards of the International Labour Organisation and international regulations such as the Universal Declaration of Human Rights.

The audits are completed using either the BSCI, SMETA or SA800 standards. A score of ‘C’ or above is required on these independent audits conducted on our direct suppliers, which is equivalent to ‘acceptable’ in the BSCI scoring methodology. A remediation plan for any issues identified must be provided following the audit, which must outline the improvements that the factory must make in order to achieve compliance and the specific timeline required. If appropriate remediation cannot be achieved alternative suppliers are engaged in a timely manner.

We recognise that our significant purchasing power has the ability to positively influence ethical minimum standards within our supply chain. In late 2022, we introduced the A.S. Watson Group Supplier Code of Conduct (“Supplier Code of Conduct”), which is signed by or acknowledged by our suppliers as proof of their commitment to meeting these ethical standards, including their commitment to setting minimum labour standards and fighting modern slavery.



## *People, training and communications*

We are committed to educating and raising awareness of modern slavery with all our colleagues across our business. Our corporate induction for all roles includes mandatory modern slavery training modules through our online platform 'Edge'. During 2022 we rolled out our modern slavery training to all of our new starters across all departments and stores. By the end of 2022, 95% of employees across our stores, distribution centres and head office had completed their modern slavery training.

In 2022, specialised and more detailed modern slavery awareness training was developed and undertaken by employees with particular exposure to modern slavery situations (i.e. security staff, human resources managers, distribution and logistics managers, lawyers, procurement managers) in addition to the general modern slavery awareness training for all employees. These specialised training materials have been developed with Mekong Club.





## Supply Chain

We have a zero-tolerance approach to modern slavery, and we continuously strive to act ethically in all of our branded supplier negotiations to ensure that modern slavery is not taking place within our business or any part of our supply chain. We expect branded goods suppliers to uphold the same high standards and values that we have with regards to combatting modern slavery and to regularly review their supply chain to ensure they minimise the risk of modern slavery occurring. If we identify suppliers using modern slavery within their supply chain, we will pause purchasing from them, thoroughly investigate and take appropriate action.

All suppliers invited to tender must provide anti-slavery statements or show a commitment to anti-slavery by agreeing to our Savers' anti-slavery statement. In 2022, we continued to implement these safeguards in our processes, and are especially diligent when procuring services undertaken by lower paid individuals, as we recognise that the people employed in these positions are often from sections of the community that are the most vulnerable.

## Logistics

In our previous modern slavery and human trafficking statements, we addressed the steps we have taken to minimise the potential risk of modern slavery in the provision of agency labour by third parties. This continues to include:

- contractual controls to ensure that third party labour providers are committed to complying with the Modern Slavery Act 2015 and that non-compliance will result in contract termination;
- ensuring that all third party labour providers have adequate internal mechanisms in place through which agency workers can raise any grievances or concerns and that any issues are addressed and escalated as appropriate to our People Team;
- checking that the third party labour providers hold a current certification with a recognised licencing scheme, such as the Gangmasters & Labour Abuse Authority; and
- ensuring our distribution network colleagues have completed our mandatory online training modules covering modern slavery practices. For further details of this training please refer to “People, training and communications” above.



In 2023 we will continue to advance our programme of activities across the modern slavery landscape working with our new partner, Unseen, and retain the focus on preventing modern slavery and human trafficking from taking place within our operations and supply chain.

This statement is approved by the Board of Directors of Savers Health and Beauty Limited and signed on its behalf by:



**Douglas Winchester**

Director of Savers Health and Beauty Limited

**Date:** 29/06/23



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