

Modern Slavery Act 2015

Our structure, business and supply chains

FKA Brands Ltd. (FKABL) is a wholly owned subsidiary of Salter Group Limited and the ultimate holding company is FKA Distributing Co LLC (FKA) a US limited liability partnership. FKA is an SME of approximately 60 people. The Directors of FKA Brands Ltd have approved this Section 54 statement for the reporting period October 2017 to September 2018.

FKABL purchase products that are manufactured in third party factories located in China and the UK. Using the SEDEX risk assessment tools China is considered a high-risk area along with the associated raw materials, especially minerals which may come from high-risk countries.

FKABL has been a member of SEDEX since 2009 and all our factories are required to be member of SEDEX and assess their compliance to the SEDEX ethical standards which include that Forced Labour of any kind is not used, that their recruitment processes are fair and that employees are free to join unions, councils etc. SEDEX is the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, used by more than 50,000 members in over 150 countries. Only 3 factories have not joined SEDEX representing 0.3% of units purchased by FKA, one of which is no longer a supplier to FKA while the other 2 are being encouraged to join.

FKABL utilizes the services of HoMedics Information Consulting (Shenzhen) Co., Ltd a wholly owned subsidiary of FKA and these employees ensure our policies and procedures are adhered to within the Chinese factories.

FKABL supplies to customers in the EMEA region using market leading warehouse and logistics companies.

Our policies in relation to slavery and human trafficking

Before a purchase order is placed with a new factory they must sign and agree to our terms and conditions which require that no forced labour of any kind is used in the manufacture of our products. These conditions include our Ethical Policy which can be found [here](#). Our conditions are generally updated annually. All our manufacturers have signed our terms and conditions in the last 12 months.

Our due diligence processes regarding slavery and human trafficking in its business and supply chains

To ensure adherence to this requirement FKABL has the following processes in place:

- All FKA staff that regularly visit our suppliers, conduct UK recruitment or appoint contractors are trained to spot signs of forced labour.
- Factories are audited by FKA employees before approval is given for the factory to become a supplier to FKABL and audited at least every 2.
- Other Chinese FKA employees such as Expeditors and Pre-Shipment Inspectors regularly visit the factories, are required to look for signs of any forced labour and must report any concerns.

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- FKABL employees from the UK and FKA employees from the USA also visit the factories, are required to look for signs of any forced labour and must report any concerns. These include the Senior Management, Quality & Compliance, Operations and Marketing.
- The Employee Handbooks detail our whistleblowing policies.
- If FKA detected the use of Forced Labour in any of its factories FKA would:
 - Immediately stop all production
 - Work with the factory on a corrective action plan
 - If a plan could not be agreed upon, we would remove the supplier from our Approved Supplier List.
 - Notify our Trade Association
 - If necessary, notify the local authorities and provide any evidence obtained by FKA
- Our factories are also used by other leading global manufacturers and retailers who also conduct similar audits to FKA.
- FKABL supplies leading UK retailers who require many of our factories to be independently audited to SMETA standards by reputable EU based auditors (Intertek, BV, TUV, SGS, UL etc.). In 2015, 66% of our volume came from these audited suppliers; 80% came from these suppliers in 2016; 93% came from these suppliers in 2017; 94% came from these suppliers in 2018.
- Currently the UK offices and our factories do not have trade union membership. Employees in the UK and our factories are allowed to join a trade union or similar organisation.
- To date, no evidence of Modern Slavery has been detected by FKABL during our own or third-party audits.
- In our 2019 survey of our suppliers:
 - 97% are aware of the need to monitor the whole supply chain (consistent with 2018 survey results).
 - 95% are already monitoring their suppliers (up from 91% in 2018).
 - 90% are already monitoring their second-tier suppliers (consistent with 2018 survey results).

During the coming year FKA Brands Ltd. will be following up on these results to review the supporting evidence, ensure that all suppliers are monitoring their supply chain and improve the monitoring of our supply chain.



Simon Bluring
UK Managing Director and Vice President Europe

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