

## The Perfume Shop Limited

### **Modern Slavery Act 2015**

#### **- Slavery and Human Trafficking Statement for the financial year ended 31 December 2016**

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ended 31 December 2016. It sets out the steps that The Perfume Shop Limited ("TPS") has taken and will continue to take to prevent modern slavery or human trafficking from taking place within our business and supply chain. This statement relates to business activity during the financial year ended 31 December 2016.

### Group Structure and Business

Founded in 1992, TPS is the UK's largest specialist fragrance retailer, and is a wholly-owned subsidiary of A.S. Watson (Health & Beauty UK) Limited ("ASWHBUK"), which is a member of the A.S. Watson Group, ultimately controlled by CK Hutchison Holdings Limited, listed on The Stock Exchange of Hong Kong Limited. TPS has approximately 260 stores across the UK and the Republic of Ireland, employing approximately 2,000 people.

### Our Policies

We are committed to preventing exploitation and human trafficking from taking place in our business operations and supply chain, and our policies reflect our zero tolerance approach to modern slavery.

Our internal policies include the ASWHBUK Code of Conduct, which sets the standard for all ASWHBUK employees in promoting honest and ethical behaviours, encouraging transparency in our business dealings and countering corruption and bribery. We have HR policies that supplement the Code of Conduct, including our Whistleblowing Policy and Recruitment Policy, which cover all head office employees, retail employees, contractors and agency staff, encouraging them to report any potential human rights violations.

Since 2008, the A.S. Watson Group, including TPS, has been an active member of the 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, 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 high risk countries. We have integrated the latest BSCI Code of Conduct into our trading contracts and we conduct regular compliance assessments.

### Due Diligence

We have appointed a modern slavery taskforce consisting of representatives from across our business. The taskforce has carried out a review and risk assessment of our existing suppliers to

assess the likelihood of modern slavery practices occurring, both within our direct business and also our supply chain. The review covered the entire scope of our business, including Product Supply Chains, Logistics, Property, Customer, People, Marketing, IT and Finance.

The A.S. Watson Group is also a member of the Mekong Club (<http://themekongclub.org/>), an independent NGO engaged to help us in developing awareness and training toolkits on modern slavery for our staff and our suppliers.

### Direct Operations

We work with third party providers of labour in our distribution centres, which have been selected via a rigorous tender process. We ensure through contractual controls that our labour suppliers have in place their own modern slavery transparency statement, along with relevant recruitment policies, including a policy specific to whistleblowing.

TPS employs approximately 2,000 staff in our retail stores, most of whom are individually interviewed and recruited by us directly and therefore are subject to our own rigorous recruitment standards. We rarely use recruitment agencies, and use of such agencies is limited to recruitment for senior positions with all the appropriate checks carried out.

### Supply Chain

We expect all our suppliers to share our commitment to the BSCI Code of Conduct, to the A.S. Watson Group ethical business standards and to preventing slavery and human trafficking. In 2016, we updated our standard supplier contracts and tender pack, placing a direct obligation on our suppliers to adhere to the modern slavery legislation.

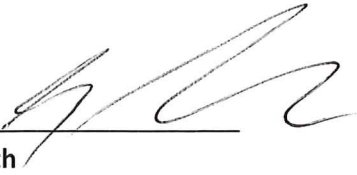
### Training

We invest in robust training programmes for our employees, and we are looking at ways to further educate our colleagues on identifying, reporting and eradicating any risks of modern slavery within our business.

### Going Forward

We have engaged with external modern slavery consultants to undertake a further, detailed risk assessment of our business in 2017. This will include interviews with key representatives from across our business. Based on the outcome of this exercise, we will hold workshops with key stakeholders within the business to review any identified areas of risk. If required, we will develop a plan for addressing any such risks. If completed by the end of 2017, we will report on this assessment in our next slavery and human trafficking statement.

This statement is approved by the Board of Directors of The Perfume Shop Limited and signed on its behalf by:



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Gillian Smith

Director

Date: 12 June 2014.